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LEGISLATIVE HISTORY

Public Law 140--82nd Congress

H.R.4521

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DIGEST OF PUBLIC LAW 140

SUGAR ACT. The bill includes provisions as follows: Extends the Sugar Act of 1948 for 4 years (through December 1956) and amends the Act in several respects, with the amendments becoming effective in January 1953 except for those regarding determinations and regulations required for 1953. Increases the quotas for Puerto Rico and the Virgin Islands for sugar to be brought into the Continental U. S. from 910,000 and 6,000 short tons, raw value, to 1,080,000 and 12,000 tons respectively. Increases the quota for full-duty foreign countries (those other than Cuba and the Philippines) from about 40,800 tons to about 113,000 tons exclusive of any proration of the Philippine deficit (estimate based on current requirements). Provides for specific prorations to the major 6 countries, of the 27 full-duty countries, with a reserve of 5 percent of the quota for imports from the remainder of the 27 countries, no one of which would be permitted to enter more than one percent of the quota (this amendment is to simplify administration and make prospective prorations available sooner). Makes several procedural changes in the provision regarding prorations of deficits (to simplify administration and enable more efficient treatment of quota deficits). Limits the entry of direct-consumption sugar from full-duty countries to the amount of the basic quota for that area under the present provisions of the Sugar Act of 1948.

INDEX AND SUMMARY OF HISTORY ON H. R. 4521

- June 18, 1951 Senator Ellender (for himself, and other Senators,) introduced S. 1694 amending and extending the Sugar Act of 1948. Referred to the Committee on Finance. Print of bill as introduced. (Similar Bill).
- June 20, 1951 Mr. Cooley introduced the bill H. R. 4521 which was referred to the Committee on Agriculture. Print of bill as introduced.
- June 21, 1951 Committee on Finance received letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amend and extend the Sugar Act of 1948.
- House Committee on Agriculture received letter from the Secretary of Agriculture transmitting a draft of a proposed bill entitled "A bill to amend and extend the Sugar Act of 1948."
- June 27, 1951 Hearings: House, on H. R. 4521
- June 29, 1951 Extension of Remarks by Hon. James G. Fulton on Sugar Price Support.
- June 30, 1951 Mr. Hill addressed the House and included excerpts from the hearings on amending and extending the Sugar Act of 1948.
- July 10, 1951 Extension of Remarks by Hon. Eugene J. Keough on Cuba's Sugar Exports to United States.
- August 2, 1951 H. R. 4521, amending Sugar Act of 1948 was ordered Reported.
- August 8, 1951 H. R. 4521 reported with amendment. (House Report 810). Print of bill as reported.
- August 13, 1951 H. R. 4521 passed the House as reported.
- August 14, 1951 H. R. 4521, A Bill to Amend and Extend the Sugar Act of 1948 was referred to the Senate Committee on Finance.
- August 20, 1951 Senate Reported H. R. 4521 without amendments. Senate Report 648. Print of bill as reported.
- August 21, 1951 Made unfinished business

August 22, 1951 H. R. 4521 passed Senate without amendments.

September 1, 1951 Approved. Public Law 140.

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S. 1694

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, MAY 17), 1951

Mr. ELLENDER (for himself, Mr. GEORGE, Mr. O'MAHONEY, Mr. JOHNSON of Colorado, Mr. MILLIKIN, Mr. LONG, Mr. HOLLAND, Mr. SMATHERS, Mr. HUNT, Mr. FERGUSON, Mr. YOUNG, Mr. THYE, Mr. HUMPHREY, Mr. ECTON, Mr. BUTLER of Nebraska, Mr. MAGNUSON, Mr. MUNDT, Mr. WHERRY, Mr. WELKER, Mr. DWORSHAK, Mr. BENNETT, Mr. WATKINS, Mr. CASE, Mr. CARLSON, Mr. BUTLER of Maryland, Mr. CAIN, Mr. CHAVEZ, Mr. LEHMAN, Mr. SALTONSTALL, Mr. NIXON, and Mr. KNOWLAND) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend and extend the Sugar Act of 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 of the Sugar Act of 1948 is hereby
4 amended to read as follows:

5 “SEC. 202. Whenever a determination is made, pursuant
6 to section 201, of the amount of sugar needed to meet the
7 requirements of consumers, the Secretary shall establish
8 quotas, or revise existing quotas—

1 “(a) For domestic sugar-producing areas, by apportion-
 2 ing among such areas four million four hundred and forty-
 3 four thousand short tons, raw value, as follows:

“Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

4 “(b) For the Republic of the Philippines, in the amount
 5 of nine hundred and fifty-two thousand short tons of sugar
 6 as specified in section 211 of the Philippine Trade Act
 7 of 1946.

8 “(c) For foreign countries other than the Republic of
 9 the Philippines, by prorating among such countries an
 10 amount of sugar, raw value, equal to the amount determined
 11 pursuant to section 201 less the sum of the quotas established
 12 pursuant to subsections (a) and (b) of this section, on the
 13 following basis:

“Area	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

14 Ninety-five per centum of the quota for foreign countries
 15 other than Cuba and the Republic of the Philippines shall be
 16 prorated among such countries on the basis of the average
 17 amount imported from each such country within the quotas
 18 established for the years 1948, 1949, and 1950, except that
 19 a separate proration need not be established for any country

1 which entered less than 2 per centum of the average im-
2 portations within the quotas for such years. The amount of
3 the quota not so prorated may be filled by countries not
4 receiving separate prorations, but no such country shall enter
5 an amount pursuant to this subsection in excess of 1 per
6 centum of the quota for foreign countries other than Cuba
7 and the Republic of the Philippines.

8 “(d) Notwithstanding the other provisions of this title
9 II, the minimum quota established for Cuba, including in-
10 creases resulting from deficits determined pursuant to section
11 204 (a), shall not be less than the following:

12 “(1) 28.6 per centum of the amount of sugar deter-
13 mined under section 201 when such amount is 7,400,000
14 short tons or less; and

15 “(2) 2,116,000 short tons, when the amount of
16 sugar determined under section 201 is more than
17 7,400,000 short tons.

18 The quotas for domestic sugar-producing areas, established
19 pursuant to the other provisions of this title II, shall be re-
20 duced pro rata by such amounts as may be required to estab-
21 lish such minimum quota for Cuba.”

22 SEC. 2. Section 204 of such Act is amended to read as
23 follows:

24 “SEC. 204. (a) The Secretary shall from time to time
25 determine whether, in view of the current inventories of

1 sugar, the estimated production from the acreage of sugar-
 2 cane or sugar beets planted, the normal marketings within
 3 a calendar year of new-crop sugar, and other pertinent fac-
 4 tors, any area will be unable to market the quota for such
 5 area. If the Secretary finds that any domestic area or Cuba
 6 will be unable to market the quota for such area, he shall
 7 revise the quotas for the domestic areas and Cuba by pro-
 8 rating an amount of sugar equal to the deficit so determined
 9 to the other such areas on the basis of the quotas then in
 10 effect. If the Secretary finds that the Republic of the Phil-
 11ippines will be unable to market the quota for such area, he
 12 shall revise the quotas for Cuba and foreign countries other
 13 than Cuba and the Republic of the Philippines by prorating
 14 an amount of sugar equal to the deficit so determined, as
 15 follows:

	Per centum
"To Cuba.....	96
To foreign countries other than Cuba and the Republic of the Philippines.....	4

16 If the Secretary finds that foreign countries other than Cuba
 17 and the Republic of the Philippines cannot fill the quota for
 18 such area, he shall increase the quota for Cuba by an amount
 19 equal to the deficit.

20 "Whenever the Secretary finds that any area will be
 21 unable to fill its proration of any such deficit, he may appor-

tion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

“(b) Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.

“(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section.”

SEC. 3. Section 207 of such Act is amended by adding a new subsection (h) as follows:

“(h) The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of quotas established in subsections (a) and (b)

1 of section 202: *Provided*, That each such country shall be
2 permitted to enter an amount of direct-consumption sugar not
3 less than the average amount entered by it during the years
4 1948, 1949, and 1950.”

5 SEC. 4. Section 411 of such Act is amended to read as
6 follows:

7 “SEC. 411. The powers vested in the Secretary under
8 this Act shall terminate on December 31, 1956, except that
9 the Secretary shall have power to make payments under title
10 III under programs applicable to the crop year 1956 and
11 previous crop years.”

12 SEC. 5. Section 3508 of the Internal Revenue Code
13 (relating to termination of taxes) is amended by striking
14 out “June 30, 1953” wherever appearing therein and insert-
15 ing in lieu thereof “June 30, 1957”.

16 SEC. 6. The amendments herein shall become effective
17 January 1, 1953, except that sections 1 through 3 hereof
18 shall be effective for purposes of the determinations and regu-
19 lations required for the calendar year 1953.

A BILL

To amend and extend the Sugar Act of 1948,
and for other purposes.

By Mr. ELLENDER, Mr. GEORGE, Mr. O'MAHONEY, Mr.
JOHNSON of Colorado, Mr. MILLIKIN, Mr. LONG
Mr. HOLLAND, Mr. SMATHERS, Mr. HUNT, Mr. FERGUSON,
Mr. YOUNG, Mr. THYE, Mr. HUMPHREY, Mr.
EATON, Mr. BUTLER of Nebraska, Mr. MAGNUSON,
Mr. MINNIT, Mr. WHEERY, Mr. WELKER, Mr. DWORSHAK,
Mr. BENNETT, Mr. WYKINS, Mr. CASE, Mr.
CARLSON, Mr. BUTLER of Maryland, Mr. CAIN, Mr.
CHAVEZ, Mr. LEHMAN, Mr. SALTONSTALL, Mr.
NIXON, and Mr. KNOWLAND

JUNE 18 (legislative day, May 17), 1951

Read twice and referred to the Committee on Finance

82^D CONGRESS
1ST SESSION

H. R. 4521

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1951

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend and extend the Sugar Act of 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 of the Sugar Act of 1948 is hereby amended
4 to read as follows:

5 “SEC. 202. Whenever a determination is made, pur-
6 suant to section 201, of the amount of sugar needed to meet
7 the requirements of consumers, the Secretary shall establish
8 quotas, or revise existing quotas (a) for domestic sugar-
9 producing areas, by apportioning among such areas four

- 1 million four hundred and forty-four thousand short tons, raw
 2 value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

- 3 " (b) For the Republic of the Philippines, in the amount
 4 of nine hundred and fifty-two thousand short tons of sugar
 5 as specified in section 211 of the Philippine Trade Act of
 6 1946.

- 7 " (c) For foreign countries other than the Republic of
 8 the Philippines, by prorating among such countries an amount
 9 of sugar, raw value, equal to the amount determined pursuant
 10 to section 201 less the sum of the quotas established pursuant
 11 to subsections (a) and (b) of this section, on the following
 12 basis:

"Area	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

- 13 "Ninety-five per centum of the quota for foreign coun-
 14 tries other than Cuba and the Republic of the Philippines
 15 shall be prorated among such countries on the basis of the
 16 average amount imported from each such country within
 17 the quotas established for the years 1948, 1949, and 1950,
 18 except that a separate proration need not be established for
 19 any country which entered less than two per centum of

1 the average importations within the quotas for such years.
2 The amount of the quota not so prorated may be filled by
3 countries not receiving separate prorations, but no such
4 country shall enter an amount pursuant to this subsection in
5 excess of one per centum of the quota for foreign countries
6 other than Cuba and the Republic of the Philippines.

7 “(d) Notwithstanding the other provisions of this title
8 II, the minimum quota established for Cuba, including in-
9 creases resulting from deficits determined pursuant to section
10 204 (a), shall not be less than the following:

11 “(1) 28.6 per centum of the amount of sugar deter-
12 mined under section 201 when such amount is seven
13 million four hundred thousand short tons or less; and

14 “(2) two million one hundred and sixteen thousand
15 short tons, when the amount of sugar determined under
16 section 201 is more than seven million four hundred
17 thousand short tons.

18 The quotas for domestic sugar-producing areas, established
19 pursuant to the other provisions of this title II, shall be
20 reduced pro rata by such amounts as may be required to
21 establish such minimum quota for Cuba.”

22 SEC. 2. Section 204 of such Act is amended to read as
23 follows:

24 “SEC. 204. (a) The Secretary shall from time to time
25 determine whether, in view of the current inventories of

1 sugar, the estimated production from the acreage of sugar-
2 cane or sugar beets planted, the normal marketings within
3 a calendar year of new-crop sugar, and other pertinent fac-
4 tors, any area will be unable to market the quota for such
5 area. If the Secretary finds that any domestic area or
6 Cuba will be unable to market the quota for such area, he
7 shall revise the quotas for the domestic areas and Cuba by
8 prorating an amount of sugar equal to the deficit so deter-
9 mined to the other such areas on the basis of the quotas
10 then in effect. If the Secretary finds that the Republic of
11 the Philippines will be unable to market the quota for such
12 area, he shall revise the quotas for Cuba and foreign coun-
13 tries other than Cuba and the Republic of the Philippines
14 by prorating an amount of sugar equal to the deficit so
15 determined, as follows:

16 “To Cuba, 96 per centum; and

17 “To foreign countries other than Cuba and the
18 Republic of the Philippines, 4 per centum.

19 If the Secretary finds that foreign countries other than
20 Cuba and the Republic of the Philippines cannot fill the
21 quota for such area, he shall increase the quota for Cuba
22 by an amount equal to the deficit.

23 “Whenever the Secretary finds that any area will be
24 unable to fill its proration of any such deficit, he may ap-

1 portion such unfilled amount on such basis and to such areas
2 as he determines is required to fill such deficit.

3 “(b) Whenever the Secretary finds that any country
4 will be unable to fill the proration to such country of the
5 quota for foreign countries other than Cuba and the Republic
6 of the Philippines established under section 202 (c), or
7 that any part of such proration has not been filled on Sep-
8 tember 1 of the calendar year, he may apportion such un-
9 filled amount on such basis and to such countries as he
10 determines is required to fill such proration.

11 “(c) The quota or applicable proration for any domestic
12 area, the Republic of the Philippines, Cuba, or other foreign
13 countries as established under the provisions of section 202
14 shall not be reduced by reason of any determination of a
15 deficit existing in any calendar year under the provisions of
16 subsections (a) and (b) of this section.”

17 SEC. 3. Section 207 of such Act is amended by adding
18 a new subsection (h) as follows:

19 “(h) The quota for foreign countries other than Cuba
20 and the Republic of the Philippines may be filled by direct-
21 consumption sugar only to the extent of 1.36 per centum of
22 the amount of sugar determined pursuant to section 201 less
23 the sum of the quotas established in subsections (a) and (b)
24 of section 202: *Provided*, That each such country shall be

1 permitted to enter an amount of direct-consumption sugar
2 not less than the average amount entered by it during the
3 years 1948, 1949, and 1950.”

4 SEC. 4. Section 411 of such Act is amended to read as
5 follows:

6 “SEC. 411. The powers vested in the Secretary under
7 this Act shall terminate on December 31, 1956, except that
8 the Secretary shall have power to make payments under title
9 III under programs applicable to the crop year 1956 and
10 previous crop years.”

11 SEC. 5. Section 3508 of the Internal Revenue Code
12 (relating to termination of taxes) is amended by striking out
13 “June 30, 1953” wherever appearing therein and inserting
14 in lieu thereof “June 30, 1957”.

15 SEC. 6. The amendments herein shall become effective
16 January 1, 1953, except that sections 1 through 3 hereof
17 shall be effective for purposes of the determinations and regu-
18 lations required for the calendar year 1953.

82ND CONGRESS
1ST SESSION

H. R. 4521

A BILL

To amend and extend the Sugar Act of 1948,
and for other purposes.

By Mr. COOLEY

JUNE 20, 1951

Referred to the Committee on Agriculture

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ADDRESS THE HOUSE

Mr. Speaker, I ask
... ent to address the House
... and revise and extend my

AKER pro tempore (Mr.
... as there objection to the re-
... e gentleman from New York?
... was no objection.

UNESCO

ROONEY. Mr. Speaker, at the
... sent time in Paris, France, a confer-
... ce of the UNESCO organization is tak-
... ing place. I trust that all other consid-
... erations will be laid aside by the Ameri-
... can delegation in favor of a reduction of
... the UNESCO budget. I make these re-
... marks at this time in the trust that the
... Department of State here in Washing-
... ton will convey them to Deputy Assistant
... Secretary of State Howland H. Sargeant,
... who heads the American delegation at
... that conference. We are not as much
... interested in the honor of high office for
... Americans in UNESCO as we are in the
... reduction of the American share of its
... budget.

EXTENSION OF REMARKS

Mr. HOWELL asked and was given
... permission to extend his remarks and
... include an article.

Mr. SMITH of Mississippi and Mr.
... HART asked and were given permission
... to extend their remarks in two instances.

Mr. WIER asked and was given per-
... mission to extend his remarks and in-
... clude an address.

Mr. MANSFIELD asked and was given
... permission to extend his remarks in four
... instances and include extraneous mat-
... terial.

Mr. RODINO asked and was given per-
... mission to extend his remarks and in-
... clude an editorial.

Mr. BOLLING asked and was given
... permission to extend his remarks and in-
... clude extraneous matter.

Mr. WILSON of Texas asked and was
... given permission to extend his remarks
... and include an editorial.

Mr. DORN asked and was given per-
... mission to extend his remarks and in-
... clude an article.

Mr. ANGELL asked and was given per-
... mission to extend his remarks on three
... subjects and include extraneous matter
... in each.

Mr. WOOD of Idaho asked and was
... given permission to extend his remarks.

Mr. JONAS asked and was given per-
... mission to extend his remarks in two in-
... stances, in each to include extraneous
... matter and editorials.

Mr. HOFFMAN of Michigan asked
... and was given permission to extend his
... remarks in three instances, in each to
... include extraneous matter.

Mr. HAND asked and was given per-
... mission to extend his remarks and in-
... clude an editorial.

Mr. ADAIR asked and was given per-
... mission to extend his remarks in two
... instances, and to include a letter and
... an editorial.

Mr. AYRES asked and was given per-
... mission to extend his remarks and in-
... clude an editorial.

Mr. JAVITS asked and was given per-
... mission to extend his remarks in four
... instances, in each to include extraneous
... matter.

Mr. LOVRE asked and was given per-
... mission to extend his remarks in three
... instances, and include some editorials.

Mr. FULTON asked and was given per-
... mission to extend his remarks and in-
... clude a statement of the National Asso-
... ciation of Letter Carriers, dated June 15,
... 1951.

Mrs. ROGERS of Massachusetts asked
... and was given permission to extend her
... remarks and include certain petitions to
... the Congress.

Mr. RANKIN asked and was given
... permission to revise and extend the re-
... marks he intends to make in Commit-
... tee of the Whole today and include
... therein extraneous matter.

Mr. SABATH asked and was given
... permission to extend his remarks and
... include an article by Dorothy Thompson
... appearing in the Star.

Mr. MCCORMACK asked and was
... given permission to extend his remarks
... and include an editorial which recently
... appeared in the Boston Post.

Mr. WHITAKER (at the request of
... Mr. RIBICOFF) was given permission to
... extend his remarks in two instances and
... include editorials.

Mr. BURNSIDE asked and was given
... permission to extend his remarks in two
... instances.

Mr. GARMATZ asked and was given
... permission to extend his remarks.

Mr. DEANE (at the request of Mr.
... PRIEST) was given permission to extend
... his remarks and include a letter.

Mr. WALTER (at the request of Mr.
... PRIEST) was given permission to extend
... his remarks and include certain letters
... and other extraneous matter.

Mr. BENNETT of Florida asked and
... was given permission to extend his re-
... marks and include extraneous matter.

Mr. GATHINGS asked and was given
... permission to extend his remarks in
... three instances.

Mr. KEOGH asked and was given per-
... mission to extend his remarks in three
... instances and include in one an address
... by Hon. James A. Farley and in the
... others several editorials.

Mr. KERSTEN of Wisconsin asked and
... was given permission to extend his re-
... marks in four instances and include ex-
... traneous matter.

Mr. BEAMER asked and was given
... permission to extend his remarks and
... include two editorials.

Mr. OSTERTAG asked and was given
... permission to extend his remarks in two
... instances and include extraneous matter.

Mr. H. CARL ANDERSEN asked and
... was given permission to revise and ex-
... tend his remarks.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signa-
... ture to an enrolled bill of the Senate of
... the following title:

S. 1025. An act to expand the authority of
... the Coast Guard to establish, maintain, and
... operate aids to navigation to include the
... Trust Territory of the Pacific Islands.

ADJOURNMENT

Mr. MORRIS. Mr. Speaker, I move
... that the House do now adjourn.

The motion was agreed to; accordingly
... (at 4 o'clock and 7 minutes p. m.), under
... its previous order, the House adjourned
... until tomorrow, Thursday, June 21, 1951,
... at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, execu-
... tive communications were taken from the
... Speaker's table and referred as follows:

539. A communication from the President
... of the United States, transmitting a pro-
... posed supplemental appropriation for the
... fiscal year 1952 in the amount of \$27,000,000
... for the Department of Defense (H. Doc. No.
... 170); to the Committee on Appropriations,
... and ordered to be printed.

540. A communication from the President
... of the United States, transmitting a pro-
... posed supplemental appropriation for the
... fiscal year 1952 in the amount of \$28,926,000
... for the Department of State (H. Doc. No.
... 171); to the Committee on Appropriations,
... and ordered to be printed.

541. A letter from the Attorney General,
... transmitting a letter relative to the cases of
... Nicolas Ioannis Karambelas or Nick John
... Caras, file No. A-6979683 CR 30078, and Ernst
... Gustav Benedix, file No. A-3760573 CR 26383,
... requesting that they be withdrawn from
... those now before Congress and returned to
... the jurisdiction of the Department of Jus-
... tice; to the Committee on the Judiciary.

542. A letter from the Attorney General,
... transmitting a copy of an order of the Act-
... ing Commissioner of Immigration and Nat-
... uralization, dated October 20, 1950, author-
... izing the temporary admission into the
... United States, for shore-leave purposes only,
... of alien seamen found to be excludable as
... persons within one of the classes enumerated
... in section 1 (2) of the act of October 16,
... 1918, as amended by section 22 of the Inter-
... nal Security Act of 1950, pursuant to section
... 6 (b) of the act; to the Committee on the
... Judiciary.

543. A letter from the Secretary of De-
... fense, transmitting a draft of proposed leg-
... islation entitled "a bill to authorize certain
... construction at military and naval installa-
... tions, and for other purposes"; to the Com-
... mittee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of
... committees were delivered to the Clerk
... for printing and reference to the proper
... calendar, as follows:

Mr. MORRIS: Committee on Interior and
... Insular Affairs. H. R. 2387. A bill restoring
... to tribal ownership certain lands upon the Col-
... ville Indian Reservation, Wash., and for other
... purposes; with amendment (Rept. No. 630).
... Referred to the Committee of the Whole
... House on the State of the Union.

Mr. HARRIS: Committee on the District
... of Columbia. S. 11. An act to provide for the
... appointment of conservators to conserve the

assets of persons of advanced age, mental weakness, not amounting to unsoundness of mind, or physical incapacity; without amendment (Rept. No. 631). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIBICOFF: Committee of Conference. Senate Concurrent Resolution 11. Concurrent resolution reaffirming the friendship of the American people for all the peoples of the world, including the peoples of the Soviet Union; without amendment (Rept. No. 632). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 4514. A bill to provide for a jury commission for each United States district court, to regulate its compensation, to prescribe its duties, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGLE:

H. R. 4515. A bill to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANE:

H. R. 4516. A bill to provide for the erection at the Memorial Avenue entrance to the Arlington National Cemetery of the sculptural piece known as The Last Farewell, and for the establishment of the Christopher Columbus Memorial Grove; to the Committee on Interior and Insular Affairs.

By Mr. MULTER:

H. R. 4517. A bill to provide for the erection at the Memorial Avenue entrance to the Arlington National Cemetery of the sculptural piece known as The Last Farewell, and for the establishment of the Christopher Columbus Memorial Grove; to the Committee on Interior and Insular Affairs.

By Mr. BAKER:

H. R. 4518. A bill to provide for the construction of flood-control works on Coal Creek and its tributaries in Tennessee; to the Committee on Public Works.

By Mr. BARING:

H. R. 4519. A bill to protect living dogs and cats against torture, brutality, and useless, painful experimentation within the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CHENOWETH:

H. R. 4520. A bill to further amend the provisions of the acts authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of persons in the Armed Forces; to the Committee on Armed Services.

By Mr. COOLEY:

H. R. 4521. A bill to amend and extend the Sugar Act of 1948, and for other purposes; to the Committee on Agriculture.

By Mr. HELLER:

H. R. 4522. A bill to amend the War Claims Act of 1948, as amended, to provide compensation for unpaid compulsory labor and inhumane treatment of prisoners of war and for other enemy violations of the Geneva Convention respecting prisoners of war; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON:

H. R. 4523. A bill to authorize the Secretary of the Army to convey certain road right-of-way easements in De Kalb and Putnam Counties, Tenn., to the State of Tennessee; to the Committee on Armed Services.

H. R. 4524. A bill to authorize certain construction at military and naval installations, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H. R. 4525. A bill to provide for a decrease in the rate of interest to be paid by the United States in the acquisition of lands under the power of eminent domain, title to which is taken in advance of final judgment; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 4526. A bill to provide readjustment allowance for certain unemployed former members of the Armed Forces who served in active military, naval, or air service on or after June 27, 1950, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COLE of Kansas:

H. R. 4527. A bill to provide for the payment of certain traveling expenses of retired employees of the Bureau of Prisons, Department of Justice; to the Committee on Post Office and Civil Service.

By Mrs. CHURCH:

H. R. 4528. A bill to amend title 18, United States Code, so as to prohibit the transportation of fireworks into any State or political subdivision thereof in which the sale of such fireworks is prohibited; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 4529. A bill to amend section 124A of the Internal Revenue Code to provide that an amortization deduction shall be granted only with respect to facilities located in areas secure from enemy attack; to the Committee on Ways and Means.

By Mr. RAMSAY:

H. R. 4530. A bill to provide for the continuation of operations under certain mineral leases issued by the respective States covering submerged lands of the Continental Shelf, to encourage the continued development of such leases, to provide for the protection of the interests of the United States in the oil and gas deposits of said lands, and for other purposes; to the Committee on the Judiciary.

By Mr. MULTER:

H. Res. 263. Resolution appointing Members of the House of Representatives to attend a Parliamentary Conference for World

Government, to be held in London, England, from September 24 to September 29, 1951; to the Committee on Rules.

By Mr. CRAWFORD:

H. Res. 264. Resolution relating to reports of the executive departments to committees of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H. R. 4531. A bill for the relief of Burnett Brodziak; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 4532. A bill for the relief of certain disbursing officers of the Army of the United States, and for other purposes; to the Committee on the Judiciary.

H. R. 4533. A bill for the relief of Samuel A. Wise; to the Committee on the Judiciary.

By Mr. COLE of Kansas:

H. R. 4534. A bill for the relief of Mrs. Maria E. Penabell; to the Committee on the Judiciary.

By Mr. FELLOWS:

H. R. 4535. A bill for the relief of Nigel C. S. Salter-Mathieson; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 4536. A bill to amend the act incorporating the American University; to the Committee on the District of Columbia.

By Mr. HAVENNER:

H. R. 4537. A bill for the relief of Thomas S. Lea, his wife and two children; to the Committee on the Judiciary.

H. R. 4538. A bill for the relief of the Angel Island Foundation; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 4539. A bill for the relief of Man Lee; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 4540. A bill for the relief of Dr. Klaus C. Karde and Ingeborg Karde; to the Committee on the Judiciary.

H. R. 4541. A bill for the relief of Rosarina Garofalo; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 4542. A bill for the relief of Mr. and Mrs. Lyguim Sowinski; to the Committee on the Judiciary.

H. R. 4543. A bill for the relief of Mrs. Priscilla Crowley; to the Committee on the Judiciary.

By Mr. SPENCE:

H. J. Res. 273. Joint resolution to make the restrictions of the Federal Reserve Act on holding office in a member bank inapplicable to M. S. Szymczak when he ceases to be a member of the Board of Governors of the Federal Reserve System; to the Committee on Banking and Currency.





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No. 111

Senate

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord of our pilgrim years, as through sleep and darkness we have been safely brought, we thank Thee for a new day with its round of concerns and duties. As in Thy sight Thy servants stand here in posts of high public office, may they be solemnly conscious that their decisions, their attitudes, their words are not their own; but go out from this Chamber as a light on a hill, to influence and to mold the whole structure of human relationships around this troubled world.

Help us in all things to be masters of ourselves that we may be the servants of others. In these times of tension and strain, preserve us from magnifying little slights and stings, or giving them. Keep us calm in temper, clear in mind, sound of heart, in spite of ingratitude, meanness, or even treachery. In these crucial and creative days enable us, we pray Thee, to perform faithfully and well what Thou dost require, even to do justly, to love mercy, to walk humbly with Thee, our God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 20, 1951, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 301. An act to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans;

H. R. 313. An act to provide for the construction of certain Veterans' Administration hospitals, and for other purposes;

H. R. 1072. An act to amend the existing law to provide the privilege of renewing ex-

piring 5-year level-premium-term policies of United States Government life insurance;

H. R. 2384. An act to provide that service of cadets and midshipmen at the service academies during specified periods shall be considered active military or naval wartime service for the purposes of laws administered by the Veterans' Administration;

H. R. 3193. An act to establish a rate of pension for aid and attendance under part III of Veterans Regulation No. 1 (a), as amended;

H. R. 3205. An act to amend the Veterans Regulations to provide that multiple sclerosis developing a 10-percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected;

H. R. 3549. An act to modify eligibility requirements for payment of pension to certain widows of veterans of the Civil War, Indian Wars, and Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection;

H. R. 4108. An act to amend the act of July 2, 1948 (Public Law 877, 80th Cong.), as amended, to include persons whose service-connected disability is rated not less than 40 percent;

H. R. 4233. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans or cash payments in lieu thereof, and for other purposes;

H. R. 4387. An act to increase the annual income limitations governing the payment of pension to certain veterans and their dependents, and to preclude exclusions in determining annual income for purposes of such limitations; and

H. R. 4394. An act to provide certain increases in the monthly rates of compensation and pension payable to veterans and their dependents, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H. R. 301. An act to extend certain veterans' benefits to or on behalf of dependent husbands and widowers of female veterans;

H. R. 1072. An act to amend the existing law to provide the privilege of renewing expiring 5-year level-premium-term policies of United States Government life insurance;

H. R. 2384. An act to provide that service of cadets and midshipmen at the service academies during specified periods shall be considered active military or naval wartime service for the purposes of laws administered by the Veterans' Administration;

H. R. 3193. An act to establish a rate of pension for aid and attendance under part

III of Veterans Regulation No. 1 (a), as amended;

H. R. 3205. An act to amend the Veterans Regulations to provide that multiple sclerosis developing a 10-percent or more degree of disability within 3 years after separation from active service shall be presumed to be service-connected;

H. R. 3549. An act to modify eligibility requirements for payment of pension to certain widows of veterans of the Civil War, Indian Wars, and Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection;

H. R. 4108. An act to amend the act of July 2, 1948 (Public Law 877, 80th Cong.), as amended, to include persons whose service-connected disability is rated not less than 40 percent;

H. R. 4387. An act to increase the annual income limitations governing the payment of pension to certain veterans and their dependents, and to preclude exclusions in determining annual income for purposes of such limitations; and

H. R. 4394. An act to provide certain increases in the monthly rates of compensation and pension payable to veterans and their dependents, and for other purposes; to the Committee on Finance.

H. R. 313. An act to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; and

H. R. 4233. An act to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans or cash payments in lieu thereof, and for other purposes; to the Committee on Labor and Public Welfare.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GEORGE, and by unanimous consent, the Committees on Armed Services and Foreign Relations, meeting jointly, were authorized to meet this afternoon during the session of the Senate.

ORDER OF BUSINESS

Mr. McFARLAND. Mr. President, the Speaker of the House has suggested that Members of the Senate be in the House Chamber at 12:20. The Senate can occupy a few minutes of time for the transaction of routine business.

The VICE PRESIDENT. The Senate has met after an adjournment, so there is a morning hour automatically.

Mr. McFARLAND. Very well.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE WHO SUFFERED LOSSES BY REASON OF WAR

A letter from the Secretary of State, transmitting a draft of proposed legislation for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and catastrophes of nature (with accompanying papers); to the Committee on the Judiciary.

REPORT OF TECHNICAL COOPERATION ADMINISTRATION

A letter from the Secretary of State, transmitting, pursuant to law, the first quarterly report of the Technical Cooperation Administration, for the quarter ended December 31, 1950 (with an accompanying report); to the Committee on Foreign Relations.

EXTENSION OF SUGAR ACT OF 1948

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend and extend the Sugar Act of 1948, and for other purposes (with an accompanying paper); to the Committee on Finance.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Attorney General, withdrawing the name of Nicolas Ioannis Karambelas or Nick John Caras, and Ernst Gustav Benedix from reports relating to aliens whose deportation had been suspended, transmitted to the Senate on May 1, 1951, and January 16, 1950, respectively; to the Committee on the Judiciary.

ACTS AND JOINT RESOLUTIONS OF HAWAIIAN LEGISLATURE

A letter from the Assistant Secretary of the Interior, transmitting copies of the following acts and joint resolutions adopted by the Legislature of the Territory of Hawaii, which acts and resolutions were referred as indicated:

Act 178. An act to amend section 1943 of the Revised Laws of Hawaii, 1945, as amended, relating to the University of Hawaii and the powers of the board of regents thereof;

Act 204. An act authorizing the issuance of bonds for flood-control projects;

Joint Resolution 23. Requesting the Congress of the United States to ratify and confirm Act 204 of the Session Laws of Hawaii 1951 authorizing the issuance of bonds for flood-control projects;

Joint Resolution 24. Memorializing the Congress of the United States to enact legislation to remove the discrimination against women in the matter of jury service in the Territory of Hawaii; and

Joint Resolution 33. Requesting the Congress of the United States to enact legislation permitting any municipality in the Territory to borrow money pursuant to chapter 118 of the Revised Laws of Hawaii 1945 as the same has been or in the future may be amended by the Legislature of the Territory of Hawaii and within such periods of time as the legislature may determine; to the Committee on Interior and Insular Affairs.

Joint Resolution 26. Requesting the Congress of the United States of America to eliminate taxes upon passenger transportation between the several islands comprising the Territory of Hawaii; to the Committee on Finance.

Joint Resolution 29. Memorializing the Congress of the United States of America to enact the necessary legislation granting Federal aid to the city and county of Honolulu

for the construction of the Koolau Tunnel project through the Kalihi Valley; to the Committee on Public Works.

REPORT OF DISPLACED PERSONS COMMISSION

A letter from the chairman and members of the Displaced Persons Commission, transmitting, pursuant to law, the fourth semi-annual report of the Commission as of August 1, 1950 (with an accompanying report); to the Committee on the Judiciary.

WHAT AMERICA MEANS TO ME—VALEDICTORY ADDRESS BY HELJU KIVIMAE

Mr. FLANDERS. Mr. President, I have in my hand one of the most remarkable documents that I have ever read. It is the valedictory address by a girl from a DP family in a high school in Vermont. It will take 5 minutes to read it. I ask unanimous consent to read it into the Record.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. The address is as follows:

WHAT AMERICA MEANS TO ME

(By Helju Kivimae)

Friends, we welcome you most cordially to our commencement exercises. We are grateful to those who have helped us, our parents, the trustees, our principal and teachers, all our friends. For my class I express our appreciation.

Two years ago today I was on an ocean liner entering New York harbor. There were more than 1,000 people aboard, all of them new Americans. We were looking toward our new country and wondering what lay waiting for us there. We had no earthly goods to bring with us to this country, but we brought two gifts from God, happiness in work and a strong hope for the future. We knew little about America, its language or its customs. I did not know then how to love my new country.

Since that day I have learned how to call this country my home, and to love her so much that I want to tell you what America means to me and to many other new Americans.

America is the country of freedom. So often when we have somebody who loves us and is good to us, and whom we have near us all the time, we grow so accustomed to this presence that we take all loving care for granted and may even become careless and rude toward that person. But if that person is taken away we understand at once how much we love her or him. It is the same way with democracy and freedom. Having enjoyed freedom and then having lost it, we realize how much freedom really means to us.

I come from Estonia, one of the three little Baltic States. Estonia was a very democratic country, but the life span of the small independent nation was very short. During World War II Estonia was first overrun by the Russians, who destroyed our homes, killed many of our people, and took many others to prison camps in Siberia. Then came the Germans, still no freedom. Now Estonia is once more under the bloody rule of Russia. Under these dictators people lose all their freedom; they feel like deer who are being pursued.

Freedom has been restored to us who have come here to America. Former cruel experiences have made freedom and democracy twice as dear to us.

What seems only natural to you seems wonderful to me. Your freedom of religion, the right to work usefully in a system of free enterprise; the right to fair play, adequate to command the necessities of life, food, clothing, shelter, and medical care in exchange for work, ideas, and thrift; the

right to equality before the law with equal access to justice; the right to security, with freedom from fear, want, and dependency, and finally what has meant so much to me during these 2 years at Lyndon Institute, the right to education, to preparation for a life work, citizenship, and personal growth. I feel to the bottom of my heart a part of Elias Lieberman's poem Credo:

"I believe

In my country and her destiny,
In the great dream of her founders,
In her place among the nations,
In her ideals;

I believe

That her democracy must be protected,
Her privileges cherished,
Her freedom defended;

I believe

That, humbly before the Almighty
But proudly before all mankind,
We must safeguard her standards,

The vision of her Washington,
The martyrdom of her Lincoln,

With the patriotic ardor
Of the Minute Men

And the boys in blue

Of her glorious past.

I believe

In loyalty, to my country
Utter, irrevocable, inviolate."

CALL OF THE ROLL

Mr. McFARLAND. Mr. President, it will be necessary to have a quorum call before the Senate proceeds to the Hall of the House of Representatives. We will try to have insertions in the Record and routine business on our return. I suggest the absence of a quorum.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Will the Senate take up at the point where we left off when we return from the House?

The VICE PRESIDENT. The Chair would think so, for the reason that the Senate convened after an adjournment, and we have not yet had the morning hour.

The absence of a quorum has been suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Green	McKellar
Bennett	Hayden	McMahon
Benton	Hendrickson	Millikin
Brewster	Hennings	Monroney
Bricker	Hickenlooper	Moody
Bridges	Hill	Mundt
Butler, Md.	Hoey	Neely
Byrd	Holland	Nixon
Cain	Humphrey	O'Mahoney
Capehart	Ives	Pastore
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Kefauver	Schoeppel
Clements	Kem	Smith, Maine
Connally	Kerr	Smith, N. J.
Cordon	Kilgore	Smith, N. C.
Douglas	Knowland	Sparkman
Duff	Lehman	Stennis
Dworschak	Lodge	Taft
Eastland	Long	Thye
Eaton	Magnuson	Watkins
Ellender	Malone	Welker
Ferguson	Maybank	Wherry
Flanders	McCarran	Wiley
Frear	McCarthy	Williams
Fulbright	McClellan	Young
George	McFarland	

Mr. JOHNSON of Texas. I announce that the Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT], the Senator from Maryland [Mr. O'CONNOR], and the Senator from Ken-

tucky [Mr. UNDERWOOD] are absent on official business.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official committee business.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a representative of our Government to attend the International Labor Conference now being held in Geneva, Switzerland.

The Senator from Florida [Mr. SMATHERS] is absent because of illness.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Nebraska [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Indiana [Mr. JENNER], and the Senator from North Dakota, Mr. LANGER, are absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] is absent because of illness.

The Senator from Oregon [Mr. MORSE] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. S. LTONSTALL] is necessarily absent.

The VICE PRESIDENT. A quorum is present.

JOINT MEETING OF THE TWO HOUSES— ADDRESS BY PRESIDENT OF ECUADOR

Mr. McFARLAND. Mr. President, I move that the Senate stand in recess, to assemble in the Hall of the House of Representatives to hear an address to be delivered by the President of Ecuador, the Senate to reconvene upon the call of the Chair.

The motion was agreed to; and, (at 12 o'clock and 20 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

The Senate, preceded by the Secretary, Leslie L. Biffle, the Sergeant at Arms, Joseph C. Duke, and the Vice President, proceeded to the Hall of the House of Representatives to greet and to listen to the address to be delivered by His Excellency Galo Plaza, President of Ecuador.

(For the address delivered by the President of Ecuador, see House proceedings, pp. 7060-7062.)

At 12 o'clock and 56 minutes p. m., the Senate returned to its Chamber, and reassembled when called to order by the Vice President.

MORNING BUSINESS

The VICE PRESIDENT. When the Senate recessed we were in the morning hour and the presentation of petitions and memorials was in order. If there are no petitions and memorials, reports of committees are in order.

MILITARY PROCUREMENT—REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (REPT. NO. 469)

Mr. SPARKMAN, from the Select Committee on Small Business, submitted a report on Participation of Small Business in Military Procurement, which was ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 21, 1951, he pre-

sented to the President of the United States the enrolled bill (S. 927) to amend section 6 of the Central Intelligence Agency Act of 1949.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN (for himself, Mr. IVES, Mr. SPARKMAN, and Mr. KEFAUVER):

S. 1714. A bill for the establishment of a temporary National Advisory Committee for the Blind; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. DWORSHAK:

S. 1715. A bill for the relief of Elli Neuhert and her two children; to the Committee on the Judiciary.

By Mr. WILEY:

S. 1716. A bill for the relief of Sister Odilia, also known as Maria Hutter; to the Committee on the Judiciary.

S. 1717. A bill to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, as amended, reported by Mr. MAYBANK, from the Committee on Banking and Currency, which was read twice by its title, and ordered to be placed on the Calendar.

(See the remarks of Mr. MAYBANK when he reported the above bill, which appear under a separate heading.)

By Mr. McCARRAN:

S. 1718. A bill for the relief of Elizabeth Bozsk; to the Committee on the Judiciary.

TEMPORARY NATIONAL ADVISORY COMMITTEE FOR THE BLIND

Mr. LEHMAN. Mr. President, on behalf of myself, my colleague, the senior Senator from New York [Mr. IVES], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Tennessee [Mr. KEFAUVER], I introduce for appropriate reference a bill to establish a temporary national advisory committee for the blind. This bill differs from the one recently introduced by the junior and senior Senators from Delaware [Mr. FREAR and Mr. WILLIAMS] only in respect to the membership of the advisory committee to be established. I feel that the need for the study envisioned in this proposed legislation is important enough to warrant speedy approval by the Congress.

The bill (S. 1714) for the establishment of a temporary national advisory committee for the blind, introduced by Mr. LEHMAN (for himself and other Senators), was read twice by its title, and referred to the Committee on Labor and Public Welfare.

EXTENSION OF SUGAR ACT OF 1948— ADDITIONAL COSPONSORS OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the Senator from Nebraska [Mr. WHERRY], the junior Senator from Idaho [Mr. WELKER], the senior Senator from Idaho [Mr. DWORSHAK], the junior Senator from Utah [Mr. BENNETT], the senior Senator from Utah [Mr. WATKINS], the Senator from South Dakota [Mr. CASE], the Senator from Kansas [Mr. CARLSON], the Senator from Maryland [Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from New Mexico

[Mr. CHAVEZ], and the Senator from New York [Mr. LEHMAN] be added as cosponsors of the bill (S. 1694) to amend and extend the Sugar Act of 1948, and for other purposes, introduced on behalf of myself and other Senators on June 18, 1951.

The VICE PRESIDENT. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

ANNUAL AND SICK LEAVE PRIVILEGES TO CERTAIN INDEFINITE SUBSTITUTE POSTAL EMPLOYEES—AMENDMENTS

Mr. CARLSON submitted amendments intended to be proposed by him to the bill (H. R. 3605) to amend section 6 of Public Law 134, approved July 6, 1945, as amended, to grant annual and sick leave privileges to certain indefinite substitute employees in the postal service, which were ordered to lie on the table and to be printed.

ATTENDANCE OF MEMBERS OF THE SENATE AS OBSERVERS AT HEARINGS OR OTHER MEETINGS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The resolution (S. Res. 137) submitted by Mr. WATKINS and Mr. FERGUSON on May 2, 1951, was read, as follows:

Resolved, That any Member of the Senate is authorized to attend as an observer any hearing or other meeting, whether executive or open, held by the Committees on Armed Services and Foreign Relations in accordance with the order of the Senate of April 25, 1951.

Mr. WHERRY. Mr. President, with reference to the resolution which the clerk has just read, it was submitted on May 2, 1951. Since that time, of course, the committees have met, and have considered American foreign policy so that even though the resolution is before the Senate for consideration, I suggest that it go over.

The VICE PRESIDENT. The resolution will go over.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SMITH of North Carolina:

Address on the subject An Example of Private Enterprise, delivered by him on June 15, 1951, at the dedication of the Carolina Power & Light Co. plant at Goldsboro, N. C., and an editorial from the Kinston (N. C.) Daily Free Press.

By Mr. DUFF:

Address entitled "America's Obligation in Today's World," delivered by him to the graduating class of Lehigh University, Bethlehem, Pa., on Monday, June 18, 1951.

By Mr. JOHNSON of Texas:

Address delivered by the Secretary of the Treasury before the Bond Club of Chicago, Ill., on June 13, 1951.

By Mr. MAYBANK:

Commencement address entitled "Democracy Is Our Strength," delivered by Mrs. Ellen S. Woodward, Director of the Office of International Relations, Federal Security Agency, at Winthrop College, the South Carolina College for Women, at Rock Hill, S. C., on June 3, 1951.

By Mr. McFARLAND:

Article entitled "One Year of Korea," written by Ernest K. Lindley, and published in the June 25, 1951, issue of Newsweek.

By Mr. THYE:

Article entitled "Weak Air Force Due to Truman," written by David Lawrence and published in the Washington Evening Star of June 20, 1951.

By Mrs. SMITH of Maine:

A series of three articles entitled "Total War and Coexistence," by Walter Lippmann, published in the Washington Post.

By Mr. KILGORE:

Editorial regarding the Two Hundred and First Field Artillery Battalion of Fairmont, W. Va., published in the Fairmont (W. Va.) Times of June 20, 1951.

THE PRESIDENT OF ECUADOR

Mr. WILEY. Mr. President, if I may have a moment of the Senate's time, I should like to make reference to the President of Ecuador, who has just addressed the two Houses of Congress.

The VICE PRESIDENT. Without objection, the Senator from Wisconsin may proceed.

Mr. WILEY. I wish to say that I think the Senate, when it attended the joint meeting in the House of Representatives today, was privileged to hear one of the most cultured and remarkable addresses we have heard for a long time. The President of Ecuador is a great statesman. He was born in this country and lived in this country when he was a boy. He was educated here and absorbed many of our American ideas. His voice today was like a light shining from South America in behalf of the kind of collaboration which I am sure augurs a great deal of good for the future. We welcome him and his family to our shores. He is building well for Ecuador and both South and North America.

CALL OF THE ROLL—THE CALENDAR

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Green	McKellar
Bennett	Hayden	McMahon
Benton	Hendrickson	Millikin
Brewster	Hennings	Monroney
Bricker	Hickenlooper	Moody
Bridges	Hill	Mundt
Butler, Md.	Hoey	Neely
Byrd	Holland	Nixon
Cain	Humphrey	O'Mahoney
Capehart	Ives	Pastore
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Kefauver	Schoeppel
Clements	Kerr	Smith, Maine
Connally	Kilgore	Smith, N. J.
Cordon	Knowland	Smith, N. C.
Douglas	Lehman	Sparkman
Duff	Lodge	Stennis
Dworshak	Long	Taft
Eastland	Magnuson	Thye
Eaton	Malone	Watkins
Ellender	Maybank	Welker
Ferguson	McCarran	Wherry
Flanders	McCarthy	Wiley
Frear	McClellan	Williams
Fulbright	McFarland	Young
George		

The PRESIDING OFFICER (Mr. Hoey in the chair). A quorum is present.

Under the order previously entered, the calendar will now be called, beginning with the first bill on the calendar. The Chair calls the attention of the Senate to the fact that this is a call of the

calendar for unobjected-to bills. If objection is made to a bill, the bill automatically goes over. When objection is made, if Senators will refrain from discussing the bill the Senate can proceed more rapidly.

The clerk will call the first bill on the calendar.

BILL PASSED OVER

The bill (S. 32) to amend title 28, United States Code, section 456, so as to increase to \$15 per day the limit on subsistence expenses allowed to justices and judges traveling while attending court or transacting official business at places other than their official stations and to authorize reimbursement for such travel by privately owned automobiles at the rate of 7 cents per mile, was announced as first in order.

Mr. DOUGLAS. Mr. President, I object.

The PRESIDING OFFICER. On objection, the bill will be passed over.

PROTECTION AGAINST MISBRANDING, ETC., OF FUR PRODUCTS AND FURS

The bill (S. 508) to protect consumers and others against misbranding, false advertising, and false invoicing of fur products and furs was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSON of Colorado subsequently said: Mr. President, I was out of the Chamber when Calendar No. 80, Senate bill 508, was called. Objection was raised to the bill, and it was ordered to go over. I ask unanimous consent that the bill may go to the foot of the calendar. I understand amendments have been prepared which would amend the bill in such a way that there would no longer be any objection to it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill will be passed to the foot of the calendar.

The bill (S. 337) to amend the Public Health Service Act and the Vocational Educational Act of 1946 to provide an emergency 5-year program of grants and scholarships for education in the fields of medicine, osteopathy, dentistry, dental hygiene, public health and nursing professions, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, this is not the type of bill that should be passed on the call of the calendar. Therefore I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 618) to prohibit the parking of vehicles upon any property owned by the United States for postal purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EXCHANGE OF CERTAIN LANDS BELONGING TO THE DISTRICT OF COLUMBIA

The bill (S. 673) to permit the exchange of land belonging to the District of Columbia for land belonging to the

abutting property owner or owners, and for other purposes, was announced as next in order.

Mr. SCHOEPEL. Mr. President, reserving the right to object, I understand that some consideration has been given to an amendment to this measure. I send a copy of the amendment to the desk and ask that it be read.

The PRESIDING OFFICER. Without objection, the amendment will be read.

The CHIEF CLERK. On page 2, line 1, it is proposed to strike the period following "thereof" and insert a colon and the following: "Provided, That no such exchange shall be made unless the Commissioners of said District shall, 30 days prior thereto, publish in a newspaper of general circulation in the said District a notice of their intention to make such exchange and such notice shall include a description by lot or parcel number or otherwise of all lots or parcels to be exchanged and the appraised value thereof"; on page 2, lines 10 and 11, following the comma after "Commissioners", it is proposed to insert "on the basis of an appraisal"; on page 2, line 15, following the word "Commissioners", it is proposed to insert "on the basis of an appraisal"; strike out section 2 in its entirety.

The PRESIDING OFFICER. Does the Senator from Kansas object to consideration of the bill?

Mr. SCHOEPEL. I reserve the right to object, unless this amendment is agreed to. I understand that it has been considered, and is acceptable.

The PRESIDING OFFICER. The Senate cannot consider amendments until the bill is before the Senate.

Mr. SCHOEPEL. I withdraw the objection so that the amendment may be offered.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SCHOEPEL. Mr. President, I now offer the amendment which has been read.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

THE LOYALTY PROGRAM

Mr. MCCARTHY. Mr. President, I shall take the 5 minutes allowed under the rule to bring to the attention of the Senate certain facts which I believe it will find of interest. When first these facts were brought to my attention I could not believe them, and I did not want to give this information to the Senate until I got some confirmation in writing, which I now have.

I find that as of today charges have been filed in the State Department against Philip C. Jessup and John Carter Vincent under the loyalty program, and that both cases are pending before the Loyalty Board.

This is not a routine filing of charges. I find that in October of last year, Mr. Humelsine, who heads the loyalty program, issued a memorandum covering the filing of charges. In that memo-

tain amount for income on the investment of the company. But, the last item was the interesting one: \$145,000,000 for taxes paid by the Ford Motor Co. or \$145 per car. Who paid those taxes? Did the corporation known as the Ford Motor Co. pay them? Not one penny of them. Who did pay them? The people who bought the Fords. Who bought the most Fords? The working man, the farmer, the low-income wage earner. Yet there seems to be existent in our country a philosophy among our people that this Congress can impose more and more taxes on corporations and business and thereby they will be saved from paying these taxes. We are only kidding them when we do that, because the corporations do not pay the taxes.

I am so glad the gentleman from New Mexico preceded me, because he made the observation that he heard on some quiz program on the radio that in a pair of shoes there are 502 hidden taxes. I did not know the number was that large.

I recall 15 years ago when we worked on our tax bill out home the figures we had then, put out by the research department of the University of Iowa, were that on the average product all together there were 5.2 different taxes the purchaser paid. So the consumer does now, always has, and always will pay all taxes. There is no escape from it. You cannot write a tax bill where the consumer ultimately will not pay the taxes unless it be a capital levy tax.

Under this bill, there is not a person in the United States that can avoid paying taxes unless he spends not one penny, except those in our penal institutions and other institutions where everything is provided for them, because under this bill any time anyone goes to the store to purchase anything he is going to pay some of the taxes provided for in this bill.

I realize that such an observation is of little value except for one purpose. The distinguished gentleman from Ohio [Mr. JENKINS] rather alarmed me when he said, "I hope this will be the last tax bill. I am afraid it will be the last tax bill. It ought to be the last tax bill."

I believe I know what he was thinking. We have reached the saturation point. We cannot have another tax bill of this kind and survive. He hates to go to a sales tax. So do I, and I am not advocating it at this time. But apparently he and other members of the committee are thinking that if we again have to raise taxes some alternative will have to be found.

Therefore my suggestion to the Committee is this, that when that time comes let us throw everything we have out the window and start fresh from the bottom and build a tax program, out in the open, that will not kid anyone, that will not have so many indirect taxes, so everyone in the United States will know exactly what he is being taxed and not be fooled by it as he is being today under this bill and all other bills. I submit to you it can be done.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALBERT, Chairman of the Committee

of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4473) to provide revenue, and for other purposes, had come to no resolution thereon.

HOURLY MEETING TOMORROW

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the tax bill in committee may be permitted to insert extraneous matter, such as tables, in their remarks, which they requested at the time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

PROPOSAL TO DISPERSE AMERICAN INDUSTRIAL PLANTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, as I understand it, a dispersal plan has been recommended by a group in the other body which would prevent new industry from coming into areas where industries already exist. In Massachusetts we have industries that are flourishing and growing there. We also have some war industries, not enough. It seems to me, Mr. Speaker, very much like a plan that Henry Wallace had when he was the Secretary of Labor, which would make of Massachusetts—and he told me this very thing, and I believe it is also to be found in one of his books—a recreational State.

If our industrial plants are to be moved away and our labor moved away, that is exactly what will happen. It is an extremely dangerous thing, and I, for one, shall move to kill any measure which has that for its purpose. It is very bad for the whole country. The transplanting of labor and the removal of our plants and the prevention of industries coming into certain areas of the country would be very bad and would also greatly retard our war production.

CORRECTION OF ROLL CALL

Mr. ALBERT. Mr. Speaker, in the Record for June 20, 1951, on roll call No. 81, I am recorded absent. I was present and answered to my name. I ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROPOSAL TO DISPERSE AMERICAN INDUSTRIAL PLANTS

Mr. EBERHARTER. Mr. Speaker, I heard today of a very astounding plan, which has been suggested. It is the most astonishing thing that has been proposed for some time, in my opinion. It is a proposal to scatter the industries of this country out on the plains and deserts where there are no natural resources and no skilled labor and no transportation facilities available. Furthermore, such a plan could only be put into effect through the expenditure of Government money. It is one of those things that I can hardly believe. Think, for example, of establishing a steel mill on the desert, or taking the great electrical industry and moving it out to some area where there is no skilled labor and perhaps no railroads and no water. I understand that actually such a proposal has been accepted in a committee, and I hope the membership of the House, Mr. Speaker, will really consider the implications involved in a suggestion of that kind.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mrs. ROGERS of Massachusetts. I understand that such a report has already been made and it is exactly to the effect that the gentleman has said. It will mean a great loss to all the districts that now have industries. It will mean the transplanting of labor and a great reduction in the prosperity of those areas and in the taxes which those areas contribute to the welfare of the Nation.

Mr. EBERHARTER. It certainly could not be done without the expenditure of vast sums of governmental money on uneconomic programs.

Mrs. ROGERS of Massachusetts. Like Mr. Wallace's plan to make a recreation center of New England instead of an industrial center.

Mr. EBERHARTER. Exactly.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. THOMPSON of Texas asked and was given permission to extend his remarks and include an article.

Mr. JUDD asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. REES of Kansas asked and was given permission to extend his remarks and include an article.

Mr. VAN ZANDT (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks in three instances and include three editorials.

Mr. OSTERTAG asked and was given permission to extend his remarks and include an editorial.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks and include some tables on Federal expenditures and receipts.

Mr. FLOOD (at the request of Mr. LIND) was given permission to extend his remarks and include an editorial.

Mr. EBERHARTER asked and was given permission to extend his remarks and include a communication from the Washington Post of June 21, 1951, entitled "MacArthur in Texas."

Mr. ROOSEVELT (at the request of Mr. EBERHARTER) was given permission to extend his remarks and insert an editorial from the New York Post.

Mr. RABAUT asked and was given permission to extend his remarks and include a newspaper item.

Mr. ENGLE (at the request of Mr. MILLS) was given permission to extend his remarks in two instances and include extraneous matter in each instance.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HAYS of Arkansas (at the request of Mr. TRIMBLE), until Wednesday, June 27, 1951, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 929. An act to amend section 6 of the Central Intelligence Agency Act of 1949.

ADJOURNMENT

Mr. MILLS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.), under its previous order, the House adjourned until tomorrow, Friday, June 22, 1951, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

544. A letter from the Acting Librarian of Congress, transmitting the Annual Report of the Librarian of Congress for the fiscal year ending June 30, 1950, as well as a complete set of the Quarterly Journal of Current Acquisitions, the Supplements to the Annual Report; to the Committee on House Administration.

545. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend and extend the Sugar Act of 1948, and for other purposes"; to the Committee on Agriculture.

546. A letter from the Assistant Secretary of the Interior, transmitting copies of various acts and resolutions adopted by the Legislature of Hawaii during its recent session; to the Committee on Interior and Insular Affairs.

547. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

548. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war condi-

tions and catastrophes of nature; to the Committee on the Judiciary.

549. A communication from the President of the United States, transmitting the budgets for the fiscal year 1952 in the amount of \$238,784,000 for administrative expenses of defense production activities (H. Doc. No. 172); to the Committee on Appropriations, and ordered to be printed.

550. A communication from the President of the United States, transmitting the budget for the fiscal year 1952 in the amount of \$31,800,000 for the Selective Service System (H. Doc. No. 173); to the Committee on Appropriations, and ordered to be printed.

551. A communication from the President of the United States, transmitting the budget for the fiscal year 1952 in the amount of \$535,000,000 for the Federal Civil Defense Administration (H. Doc. No. 174); to the Committee on Appropriations, and ordered to be printed.

552. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1952 in the amount of \$970,000 for the District of Columbia (H. Doc. No. 175); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 718. An act to authorize the lease and purchase by the United States of the Young Men's Christian Association Building and premises in Phoenix, Ariz.; without amendment (Rept. No. 633). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on the District of Columbia. H. R. 4431. A bill to extend and revise the District of Columbia Emergency Rent Act; with amendment (Rept. No. 634). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS of Louisiana: Committee on Ways and Means. H. R. 3490. A bill to amend the penalty provisions applicable to persons convicted of violating certain narcotic laws, and for other purposes; with amendment (Rept. No. 635). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4475. A bill to amend the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 636). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 4544. A bill to establish in the Bureau of Customs the United States Customs Port Patrol and the United States Customs Border Patrol in order to improve the enforcement of the antismuggling laws; to the Committee on Ways and Means.

By Mr. BAILEY:

H. R. 4545. A bill to provide for Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities; to the Committee on Education and Labor.

By Mr. BERRY:

H. R. 4546. A bill to provide for the education, medical attention, relief of distress,

and social welfare of Indians in the State of South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. COOLEY:

H. R. 4547. A bill to amend the Defense Production Act of 1950; to the Committee on Banking and Currency.

By Mr. CELLER:

H. R. 4548. A bill to amend the Immigration Act of February 5, 1917, to safeguard the internal security by regulating the discharge of alien seamen in the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 4549. A bill to establish a hospital for juvenile drug addicts; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTLE:

H. R. 4550. A bill to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CAMP:

H. R. 4551. A bill to provide for the acquisition of a site for the new Federal building in Newnan, Ga., adjoining the existing Federal building there as an economy measure before land value has increased as a result of land improvement; to the Committee on Public Works.

By Mr. LUCAS:

H. R. 4552. A bill to establish a Wage Stabilization Board, to define its functions, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHAFER:

H. R. 4553. A bill granting cost-of-living increases to certain members and former members of the Armed Forces who are now or hereafter receiving or entitled to receive retired, retirement, or equivalent pay by reason of physical disability; to the Committee on Armed Services.

By Mr. CELLER:

H. J. Res. 274. Joint resolution to provide for the continuation of operations under certain mineral leases issued by the respective States covering submerged lands of the Continental Shelf, to encourage the continued development of such leases, to provide for the protection of the interests of the United States in the oil and gas deposits of said lands, and for other purposes; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. Con. Res. 125. Concurrent resolution providing a Code of Ethics for Government Service; to the Committee on Post Office and Civil Service.

By Mr. BOYKIN:

H. Con. Res. 126. Concurrent resolution providing a Code of Ethics for Government Service; to the Committee on Post Office and Civil Service.

By Mr. BOLLING:

H. Res. 265. Resolution to provide for a Select Committee on Problems of the Aging; to the Committee on Rules.

By Mr. CASE:

H. Res. 266. Resolution to provide for a Select Committee on Problems of the Aging; to the Committee on Rules.

By Mr. HESELTON:

H. Res. 267. Resolution to provide for a Select Committee on Problems of the Aging; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorial-

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. CHARLES E. POTTER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 28, 1951

Mr. POTTER. Mr. Speaker, under leave to extend my remarks, I wish to place in the RECORD an article written by Mr. Matt Lagerberg, social studies teacher at Alpena High School, Alpena, Mich., telling how a teacher feels about Federal aid to education. Regardless of your own personal views on this controversial subject I commend this article for your reading.

HOW DOES A TEACHER FEEL ABOUT FEDERAL AID TO EDUCATION?

(By Matt Lagerberg, Alpena High School, Alpena, Mich.)

"The vocational 'ag' teacher in our school gets more money than any other teacher in the system, including the superintendent," said a high school teacher from a small school recently. At the moment it sounded like jealousy but in the long run it probably means that another good teacher will leave his field of general education such as mathematics, science, English, or history, and go into some vocational field where the Federal Government subsidizes the school district for the teacher's salary. This points up a situation that seems to have been forgotten in the debate on Federal aid to education. It seems to me that one of the major issues in Federal aid is whether or not the Federal Government should continue to place emphasis upon certain phases of a child's education or whether it should assist the whole process.

To begin with, our public schools seem to have been designed for the select few who were going to college. Federal aid from the time of the ordinances of 1785 and 1787 to the time of the Civil War was in the form of land grants with no specifications as to which phase of education should receive the benefits. It seems incongruous to us nowadays for the numerous struggling frontier communities to establish college preparatory schools for their children. Vocational efficiency seems not to have been included in the cardinal aims of education. But the war seems to have changed our attitudes, probably even too far to the opposite extreme.

After the Civil War the Federal Government started its policy of aid to vocational education. The Morrill Act gave land grants or land script to college of agriculture and mechanical arts. World War I brought the Smith-Hughes Act which continued this policy of aid to vocational education by offering to match any money which high schools spent for vocational agriculture, home economics, or trades and industry. During the 55-year interim there were misgivings about this form of Federal aid. Several bills for direct Federal aid to education were introduced into Congress but failed. The only one which succeeded was along the same pattern as before: an act of 1887 granted a \$15,000 sum to each land grant college for an agricultural experiment station. Congressmen were afraid of direct Federal subsidies to education for fear it would violate States' rights. They seemed not to fear Federal aid for vocational education even if it had a dozen strings attached. Only recently have patrons begun to complain about the deterioration of general education. In 1931 Hoover's Advisory Committee on Education recommended that all future Federal

grants to States be made for education in general rather than for specific phases of it.

The best teaching talent naturally moves to the better paid jobs which are in vocational fields subsidized by the Federal Government. Large cities can often equalize their salary schedules to correct this inequality much better than small towns. They are not as much affected by any raids upon their general education personnel. But half of our high school youth attend very small schools. That's the place where you find the most evidence of a deterioration of general education. Parents complain because youngsters graduate from high school without learning the fundamental skills. "Schools have abandoned the teaching of the three R's," we often hear. An advertiser in a Detroit educational paper, for example, writes in his motor ad: "The recent statement of Mr. Dondineau, Superintendent of Schools, that this year stronger emphasis would be placed on the three R's—readin', 'ritin', and 'rithmetic—in Detroit grade schools seems to typify a growing feeling among educators." In his large industrial city they have felt the full impact of youth coming in from small schools—students that are practically untrained in general education.

Patrons have been looking for scapegoats on which to pin the blame. Some say that the "new-fangled methods" are to blame, "progressive schools" are to blame, or that lack of phonics is the fault. There are some who say that the real trouble is that teachers use too many objective type tests where one simply underlines correct answers or guesses at true or false replies. It could be that the lack of talented teachers is the real fault. Even if teachers are not noticeably inferior in general education, at least they have been dissatisfied, feeling that general education must be somewhat less important than vocational education since it is much less rewarded.

Then, again, let's take another example, that of teaching democracy and Americanism. A tremendous amount of lip service has been devoted to the importance and honor of such a vital service to our national life. But the teacher cannot live on fine words. The better teacher leaves this field for subsidized jobs in teaching which are much better in depression times particularly. Good teachers in social sciences have always been easy to get, but try to keep them. If the American public values the teaching of democracy and Americanism as much as it says it does, then it seems strange that this field of education has not been subsidized as well. Certainly a high school graduate has had enough exposure to American history and citizenship in 12 years of public-school education to appreciate the value of being an American citizen; that is, if he has been taught anything more than mere facts. Then how does it happen that so many of our graduates get taken in by Communist-front organizations of various kinds? Fifty-five thousand Communists and half a million sympathizers in America, according to J. Edgar Hoover, are a terrible indictment of our citizenship training. Nowhere else in the educational field is it more true that what the teacher does speaks so loudly that the students cannot hear what the teacher says. Nowhere else in the educational field would it seem more important for our country to have well-paid and talented teachers. But nowhere else does there seem to be greater evidence of a lack of just such talent.

It would seem that the issue in Federal aid to education is whether or not the whole education of the pupil should be subsidized or whether we should continue to favor certain particular phases of it. This is in no way intended to imply that appropriations

for vocational education ought to be reduced. In the small schools in which I have worked the parents looked with real appreciation to Federal aid for a type of education which they couldn't afford to provide alone.

Who can say that vocational efficiency is any the less important a goal of education than are any of the other aims? But it would be well to have the public informed so a clear-cut decision could be made. If there is evidence that general education needs to be bolstered, then Federal aid ought to be applied only where it is not now granted. If, on the other hand, there is evidence that Federal subsidies should be applied on an equal basis to the whole education of a pupil, then all Federal aid to education ought to be lumped into one sum, including the \$20,000,000 appropriated under the Smith-Hughes and George Deen Acts, the \$50,000,000 for school lunch and milk, the \$13,000,000 for miscellaneous, and possibly even that portion of the \$535,000,000 for veterans' education which is spent upon secondary school studies. This would further have a wholesome effect upon State aid, for the States themselves have followed in the footsteps of the Federal Government by earmarking certain parts of their school aid funds for particular phases of a child's education. The latter policy would probably induce the States to lump their State aid appropriations instead of earmarking them as they now do, or at least they would have to take stock of their policies to see that they are clearly justified in order to solve local problems.

The National Education Association has waged a long, consistent campaign for a large appropriation from the Federal Government for the general improvement of education, principally to equalize opportunities in all parts of our country. In 1919 it sponsored the Smith-Towner bill providing for an appropriation of \$100,000,000 per year with a Federal Department of Education added to the President's Cabinet. The Harrison-Black-Fletcher bill, which the NEA sponsored in 1936, would have increased the appropriation to \$300,000,000. Leading educators have never been happy about the lopsided Federal-aid program we have had for nearly a century. Each session of Congress has considered a bill for Federal aid to the child's whole education. Every bill ran into some major difficulty. Whenever one difficulty was overcome, another would appear. When States' rights opponents to Federal aid were appeased, the lawmakers became tangled up in an amendment against race discrimination. When that one was threshed out, they clashed over Federal aid to private and religious schools. In the meantime, the three R's were losing out to agriculture and home economics and trades and industry. It appeared that Americans were to live by bread alone. Teachers grumbled about the better positions in vocational fields, blamed their advisers in college who failed to inform them in time, and the better ones scrambled out. More and more subjects were added to the curriculum to plug the weak spots. One would naturally think that if students spent more time on a subject they would correct their weaknesses. It hasn't worked out that way because the good teachers weren't there. In order to get them there must be a good salary to go with it. The public hue and cry for better preparation of our children in general education will continue or increase until we are economically prepared to hold the good teachers in that field. Be that as it may, the public must decide whether we need to prop our general educational program to balance the generous support now made to vocational education by the Federal Government. This seems to be the major issue in the controversy over Federal aid to education.

Mr. Hall Eats His Cake

EXTENSION OF REMARKS OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 6, 1951

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I did not take the floor during the debate on the recent tax bill; and thus may not have made my position quite clear in voting against it.

The following editorial from the Birmingham Press sums up the situation in characteristic fashion, and I therefore hasten to insert the following display of genuine perception at this point in the Appendix:

MR. HALL EATS HIS CAKE

'Tis said, you can't have your cake, and eat it, too. If you want to save the forest, you need to go easy on the firewood. And if you don't want to pay high taxes, it's necessary to go without some of the things that make taxes high.

Who would gainsay these truisms? We're sure, not Representative EDWIN ARTHUR HALL. But Mr. HALL in the matter of taxes and spending puts a foot firmly on both sides of the fence. For example, Mr. HALL, last week, opposed the gouging, record-high tax increase of \$7,200,000,000, up in the House for debate. He called it discriminatory against the poor man and a snuffer-out of free enterprise. With these assertions there'll be little disagreement, for who likes to pay taxes?

But even as Mr. HALL was lustily denouncing higher taxes, echoes of his demand for a 1,000-bed veterans' hospital for the triple cities area were still resounding. While no one would look on the acquisition of such a hospital as a liability to the community, some doubts inevitably must exist about its essentiality, particularly in a time when such projects are inflationary.

If each Member of Congress had as many projects as Mr. HALL, and each were to obtain all the projects he wanted for his district, there wouldn't be enough money in the world to cover the cost. And taxes, now outrageously high, would be outrageously more so.

It long has been perceived of the lawmaking species, the Mr. Halls and the Mr. Smiths who go to Washington, that they are prone to plead for over-all economy, but only as long as that economy casts no unhappy shadow on projects for their own districts, his nibs old Uncle Samuel providing the spoilszoola.

But it's a fact that where there are many spoons in the gravy, a lot of gravy vanishes. For much gravy, there must be much taxation. But the Mr. Smiths and the Mr. Halls are sternly against high taxes. They want no scabs on prosperity's posterior. And please, no Lady Godivas nor equestrian Gypsy Rose Lees. And so the formula is spend, spend, but higher taxes, never.

Mr. HALL probably doesn't split his political breeches by being for spending that causes high taxes and being against the higher taxes. But he does violence to logic, if there is any logic left in politics. And he perpetrates a rape of arithmetic.

Mr. HALL, in politics, is of necessity a politician. And you, of course, can expect him to love veterans and to be ever studious of exemplifying his devotion. As you know, God and World War II made a lot of veterans, and presumably most of them vote. It certainly is not to Mr. HALL's discredit that he is so thoughtful of veterans' interests. But veterans also are citizens who, like other citizens, are susceptible to bruises of the flesh and spirit. Veterans wince and bleed under the tax bludgeon.

If Mr. HALL is against unreasonable taxation, he should be equally against unessential spending which evolves need for such taxation. It's as simple as arithmetic. You must go easy on the firewood if you want to save the forest, and you can't have a cake and eat it, too. But politics isn't arithmetic, nor logic, nor sincerity. Politics is all the Mr. Halls and all the Mr. Smiths who yip for spending and yowl against taxes. Politics is the sound and fury of fools, hoping to heaven the people never want statesmanship.

Sugar Price Support

EXTENSION OF REMARKS OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1951

Mr. FULTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John W. Ball from the Washington Post of June 29, 1951:

SUGAR PRICE SUPPORT IS COSTLIEST OF ALL (By John W. Ball)

The American taxpayer has shelled out more than \$900,000,000 to support the price of sugar since 1934, almost as much as the total cost of supporting the prices of all other agricultural commodities.

The April 30 report of the Commodity Credit Corporation shows that the price support, other than sugar, had cost \$912,575,612 to that date. The cost of the sugar acts in the same period, including this year's appropriation, totaled \$900,665,083.

The cost of maintaining a high sugar price has been almost twice as much as the famous potato-price subsidy, which has now reached \$468,721,246. But unlike potato-price supports, which will terminate this week, a new sugar act is now being prepared by the House Agriculture Committee, containing all the cost provisions of the present act. The committee expects to conclude hearings early next week.

TEN COSTLIEST COMMODITIES

The cost of maintaining the prices of the 10 most costly commodities getting tax subsidies are:

Sugar: \$900,665,083.
Potatoes: \$468,721,246.
Eggs: \$141,503,049.
Wool: \$92,162,308.
Peanuts: \$77,906,597.
Wheat: \$65,578,741.
Butter: \$47,200,848.
Cheese: \$25,061,762.
Dried milk: \$52,830,041.
Grain sorghum: \$34,145,806.

The Sugar Act operates virtually the same as would the Brannan plan, proposed for other farm crops. When first passed, it contained a clause permitting the President to withhold payments when, in his opinion, they were unnecessary. That clause was removed in 1948.

LIKE BRANNAN PLAN

The act, one of the less well-known of the agricultural laws, provides for an excise tax on sugar to raise funds to be paid to growers as subsidies. The tax is slightly more than half a cent a pound—the same as the duty on imported sugar. Payments are made to sugar growers on a base rate of 80 cents for each 100 pounds of raw sugar they produce. This scale of payments is graduated downward according to the size of the farm. Thus a farmer who raises less than 350 tons of sugar gets 80 cents for each hundred-

weight, while a plantation producing more than 30,000 tons gets only 30 cents.

Payments are made to only about 85,000 farmers, out of a total of 6,000,000 farms in the United States.

Last year at least 41 farms got payments of more than \$100,000 each; 23 got more than \$200,000; 15 got more than \$300,000; 8 more than \$400,000; and 3 more than \$500,000.

RECORD OF COST

The Jones-Costigan Act cost approximately \$93,00,000. Congressional appropriations under the two later sugar acts have been: August 1937, \$250,000; February 1938, \$39,750,000; June 1938, \$48,000,000; May 1939, \$6,500,000; June 1939, \$31,975,000; June 1940, \$46,675,000; June 1941, \$47,962,910; July 1942, \$47,462,000; July 1943, \$63,383,060; June 1944, \$52,510,203; May 1945, \$48,446,000; June 1946, \$53,500,000; July 1947, \$55,000,000; June 1948, \$72,000,000; June 1949, \$60,000,000; September 1950, \$63,750,000; pending bill, \$70,000,000.

Lobbyists for sugar groups are reported in the CONGRESSIONAL RECORD as among the best paid in any industry. The RECORD lists:

A. Dudley Smith, Shoreham Building, Association of Sugar Producers of Puerto Rico, \$15,000 a year.

Robert H. Shields, Tower Building, United States Beet Sugar Association, \$40,000.

Ernest W. Greene, Continental Building, Hawaiian Sugar Planters' Association, \$45,180.

H. B. Boyd, Tower Building, United States Beet Sugar Association, \$18,000.

Clarence J. Bourg, Union Trust Building, American Sugar Cane League and Farmers and Manufacturers Beet Sugar Association, \$15,750.

H. M. Baldrige, American Building, United States Cane Sugar Refiners Association, \$24,000.

LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board, or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U. S. Code, title 44, sec. 140, p. 1938).

Printing and binding for Congress, when recommended to be done by the Committee on Printing of either House, shall be so recommended in a report containing an approximate estimate of the cost thereof, together with a statement from the Public Printer of estimated approximate cost of work previously ordered by Congress within the fiscal year (U. S. Code, title 44, sec. 145, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on Printing, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U. S. Code, title 44, sec. 133, p. 1937).

PRINTING DOCUMENTS AND REPORTS

Documents and reports of committees with the evidence and papers submitted therewith, or any part thereof ordered printed by Congress, may be reprinted by the Public Printer on order of any Member of Congress or Delegate, on prepayment of the cost thereof (U. S. Code, title 44, sec. 162, p. 1940).

Mr. MILLER of Nebraska. I have been endeavoring to go along with the majority leader but today I have a miserable conscience.

Mr. McCORMACK. Of course, the pleasant thing about the gentleman's conscience is that he can satisfy that conscience very easily. My friend, I know, does not want to put himself in the position of opposing a bill in the Eighty-second Congress that he handled for the Committee on the District of Columbia in the Eightieth Congress.

Mr. MILLER of Nebraska. I feel quite differently about that.

Mr. McCORMACK. My bill is much better and more protective. Might I state that I am trying to do a little job for myself. I am trying to help the people of the District of Columbia on a very important bill of far-reaching importance.

Mr. MILLER of Nebraska. If I may say to the majority leader, I appreciate his working on the gentleman now speaking and he may succeed, and probably would if he will accept an amendment I propose to offer.

Mr. McCORMACK. That amendment would defeat the bill.

Now, the only conference report I know of that might be of concern is that concerning the migrant farm labor bill which may come up next week. Of course, conference reports are in order. That is a situation I have no control over.

Mr. BROWN of Ohio. I appreciate, of course, that the gentleman cannot announce at this time the program for the following week, but for the benefit of the Members I would like an expression of his opinion as to whether or not the following week will be an important legislative one here in the House?

Mr. McCORMACK. Next week is very important, as the program shows, and the following week will be very important also.

Mr. BROWN of Ohio. There is a great deal of legislation to come up the following week?

Mr. McCORMACK. Yes.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. MULTER. My question is whether or not the program now set for Friday and Saturday will be adhered to if a roll call is demanded on the motion to resolve the House into Committee of the Whole?

The SPEAKER. Nothing can be done without a quorum. That is the reason the Chair hopes there will be a quorum present all of next week, because if the conference report on the farm labor bill comes up, that is controversial.

WALTER R. LEE

Mr. McCORMACK. If the gentleman from Ohio will yield further, I might state that most of the Members, if not all, are well acquainted with Walter Lee, who over the years has proved himself one of the finest persons on the staff of any committee, and who is clerk of the Judiciary Subcommittee on Claims. A few days ago his loved ones sustained the sorrow and the loss of his beloved sister.

He is away now in connection with the burial of his sister. I know I speak the sentiments of all in expressing to him and his loved ones our profound sympathy in their great loss and sorrow.

Mr. BROWN of Ohio. The minority joins in the gentleman's expressions of sympathy to Mr. Lee and his family.

Mr. McCORMACK. I thank the gentleman.

PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order to call the Private Calendar any time during the week of July 9.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ONE HUNDRED AND SEVENTY-FIFTH ANNIVERSARY OF THE SIGNING OF THE DECLARATION OF INDEPENDENCE

The SPEAKER. Pursuant to the provisions of Senate Joint Resolution 51, approved June 29, 1951, the Chair appoints as members of the Commission to prepare a plan for appropriate ceremonies at Philadelphia, Pa., on July 4, 1951, to observe and celebrate the one hundred and seventy-fifth anniversary of the signing of the Declaration of Independence, and to execute such plan, the following Members on the part of the House: Mr. BARRETT, Pennsylvania; Mr. HARDIE SCOTT, Pennsylvania.

PARLIAMENTARY INQUIRY

Mr. MILLER of Nebraska. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MILLER of Nebraska. Mr. Speaker, will the Members have an opportunity to vote upon some of the amendments which have been made to the appropriation bill in the Senate, which we on this side, because of a gag rule, did not have an opportunity of voting on? We did not have an opportunity to vote on certain savings to the Government.

The SPEAKER. The gentleman is hardly propounding a parliamentary inquiry.

Mr. MILLER of Nebraska. The parliamentary inquiry is, Will the House have an opportunity to vote upon the changes made by the other body in the appropriations bill?

The SPEAKER. The Chair does not know yet whether there will be changes made in the other body because no message has come over from the Senate.

Mr. MILLER of Nebraska. I just read in the Record what that body did yesterday. It did make some very definite changes.

The SPEAKER. The Chair cannot make any statement at this time. The bill has not been messaged over from the Senate.

Mr. MILLER of Nebraska. I will seek a roll call on the amendments, if it is in order.

The SPEAKER. It may not be in order.

RESERVE COMPONENT BILL

(Mr. BROOKS asked and was given permission to address the House for

1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, late last evening I filed the Reserve component bill which we in the Congress have been waiting on for a long time. Copies of the bill are now available as H. R. 4667, and I am sure there will be demand for them.

The bill as introduced by me is still subject to review by the Bureau of the Budget. Because of the widespread interest in this measure and the demand that action be had, the Department of Defense and the Bureau of the Budget have agreed to the filing of the bill pending careful examination by the Bureau of the Budget. This may mean some changes will be recommended by the executive department before the bill is heard by the Armed Services Committee, or perhaps during the hearings on the bill. At any rate, I believe we will now be able to go forward with this matter with accelerated speed. I want to thank the Defense Department and the Bureau of the Budget for their courtesy in agreeing that this bill might be filed pending the careful examination which the Bureau of the Budget is making of the bill. I want to thank both of these agencies for the speed with which they have been handling this matter during the last few days and for the special attention which they have given to the program of getting the bill to the Congress for our consideration. I have talked with Madam Anna Rosenberg, Assistant Secretary of Defense, practically every day for the last 10 days about the measure, and I think that she especially has been most vigorous in her efforts to push the bill to the point where it could be introduced and available to ourselves, as well as to people throughout the United States.

When hearings are held on the bill, every Member of the House interested will be invited to express himself in reference to it.

POLITICS

(Mr. MULTER asked and was given permission to address the House for 1 minute.)

Mr. MULTER. Mr. Speaker, I think this would be a good time to relax and have a little politics. Let us have a preview of what is going to happen in next year's campaign. The Republican program of this year as to how to control inflation starts with the promise of pay-as-you-go taxation; the action, Republican votes to defeat every item in the tax bill so you do not get enough taxes with which to pay for the expenses of government. Next is the Republican promise to stop inflation by control of credits—give the Federal Reserve Board more power is their theme—the action, Republican votes beat down the amendments to the Defense Production Act which seek to do that; then they say control inflation by increased production because that will bring prices down. But prices continue to run away. So the Republican action on every vote to the Defense Production Act is to kill price control.

I think this is a good time to take stock, my Republican friends. The peo-

ple will remember in 1952 how you tried by your votes to negate the platform you pretend to advocate.

POLITICS

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, I am wondering if the gentleman from New York remembers that most of the Republican Members of this House voted in favor of the so-called Kunkel amendment, the Baruch idea, to freeze all prices and wages at certain levels months and months ago, and that the gentleman from New York and many of those who think as he seemingly does were the ones who insisted upon another price-control system which has not brought lowered prices but instead has brought to the American people higher food and commodity prices. I think when the campaign of 1952 gets under way that the gentleman will not have to have as much concern for the welfare and the future of the Republican Party as he may find necessary to give to the future of his own party and his own personal political welfare.

VETERANS' LEGISLATION

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have been receiving many letters and telephone calls and one last night from South Carolina asking that the time for the extension of loans to the GI's be extended. We all know that the educational advantages will expire very soon. They should be extended also. We have done absolutely nothing regarding extending educational benefits to the GI's, and the Congress has passed no legislation for nondisabled or non-service-connected Korean veterans. Certainly these men who have been cruelly debared these last months and the last year from their education and training should be given a chance to have it, and only recently, a year late, has the House passed much-needed legislation for the disabled a year after the Korean conflict started. I am wondering how these boys are going to feel on the 4th of July. They have given and given and given, and suffered and suffered, and to many it seemed unnecessary giving. Many will always be in pain. It has been a great sacrifice. One thing I think every Member of the House will agree with me on, and that is that the least we can do for these boys is to see that they have every benefit. I do not call it a benefit; I call it a service. We want them to have every service that has been given to every other veteran.

SUGAR

(Mr. HILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include an excerpt from the hearings on amending and extending the Sugar Act of 1948.)

Mr. HILL. Mr. Speaker, on yesterday two things happened that I want to call to the attention of the House. First of all, I am convinced that a half truth is

much more dangerous than an absolute word of three letters, a lie. You will find in the CONGRESSIONAL RECORD of yesterday a report of a story written by one whose name is John W. Ball. Yesterday in our committee we had the story from the Department of Agriculture on exactly what it had cost to operate the Sugar Act. In this story in the Post you will find they gave only the cost and did not give the money that was collected in the sugar industry itself. It shows without question of a doubt that there was a profit of \$15,740,221. Those are not my figures, those are figures that were given by Mr. Lawrence Myers in our Sugar Act hearings yesterday in our committee. Why anyone would wish to put in the RECORD a story by John W. Ball, who knows nothing about the sugar business, and gives nothing whatsoever about how the money is collected, I do not know. I hope you will take time to read this little excerpt I am including in my remarks. It reads as follows:

EXCERPT FROM JUNE 29, 1951, TRANSCRIPT OF HEARINGS ON AMENDING AND EXTENDING THE SUGAR ACT OF 1948, PAGES 145-149

The CHAIRMAN. Mr. Kemp, would you like to comment on the John W. Ball article that appeared in the Washington Post this morning, Sugar Price Support Is Costliest of All?

Mr. KEMP. Yes, I would. That follows the technique people use sometimes of saying that a horse has got two legs on the right side, and ignoring the fact that he has two legs on the left side, also.

What the writer of this article has done is to take all disbursements under the sugar program and give no credit whatever to the receipts.

Mr. Myers yesterday testified, and he has the figures, that receipts by the Treasury have been running about \$76,000,000 a year, payments about \$57,000,000, so that there has been a clear gain in recent years to the Treasury from the excise tax on sugar of about \$17,000,000 a year.

Now the other important thing to remember is that that does not come out of the consuming public, the tax on sugar.

This subject was argued at great length back in 1935 and 1936. It was then pointed out by economists in the Government that in the light of the fact that the tariff against sugar had been reduced by an equal amount to the tax imposed, no price influence was expected in this market by the tax. Actually, the tax comes out of the industry. It is paid into the Treasury, and what the Treasury pays back out of its total receipts go back out of what returns otherwise would inure to the benefit of the industry.

The CHAIRMAN. When Mr. Ball says that because the program to date has been somewhat over \$900,000,000, to give the public a true picture he should have indicated right under that figure the amount paid by the industry to the Treasury, should he not?

Mr. KEMP. Precisely, Mr. Chairman.

The CHAIRMAN. Do you or any of your associates have that total figure? I assume that perhaps Mr. Myers has it, because he gave us the gross difference between the payments into the Treasury and the payments out of the Treasury.

Mr. KEMP. Mr. COOLEY, I cannot give you that figure myself, but I think I would like to make the request of Mr. Myers that he furnish a statement of those figures since 1934 to be put in the record.

The CHAIRMAN. I do not have Mr. Myers' statement right before me at the moment, but my recollection is that it was two-hundred-forty-million-odd dollars difference. Is that not right, Mr. Myers?

Mr. MYERS. Yes, Mr. Chairman.

In my statement the other day I pointed out that there had been a total net gain of \$248,000,000. You asked me to include the cost of administration.

We have prepared the figures in accordance with your request, the best data that we can obtain as to the cost of administering the program. In some cases, let me say, when the program gets out into the field there is a question of the cost of administering this as compared with other programs, and there is difficulty in separation, but as closely as we can separate, these are the figures:

As to taxes collected from 1934 through 1950, the fiscal year 1950, \$937,752,416.

The conditional payments and administrative expenses of the United States Department of Agriculture in connection with the sugar program, \$757,387,894.

Excess taxes collected over payments, \$230,364,522.

I also put into the record the figures for the average of the past three fiscal years. Those figures showed average collections in round figures, \$76,600,000 and average payments, \$59,500,000.

Complying with your request for the addition of administrative expenses, and giving you the figures in complete detail, the tax collections showed \$76,641,115.

Conditional payments and administrative expenses of the United States Department of Agriculture in connection with the sugar program, \$60,900,894.

Excess of taxes over payments and administrative expenses, \$15,740,221.

The CHAIRMAN. This looks like maybe Mr. Ball made almost a billion-dollar mistake here, does it not? That shows, then, if I understand your figures, Mr. Myers, that the net profit on the entire operation is \$230,364,522.

Mr. MYERS. This is correct, including the administrative expenses.

The CHAIRMAN. That is quite a different story from the one written in the morning Post.

Mr. HILL. In other words, Mr. Ball is all "balled up" like he usually is when he writes about agricultural matters. There is nothing new about this.

Mr. POAGE. Almost as accurate as his statement about cotton and other things—nearly as accurate.

The CHAIRMAN. It seems to me that somebody representing the press would be interested in getting the truth about it.

Mr. HILL. He is still getting paid for it. That is the sorry part of it.

Mr. POAGE. Probably he gets paid for it and that is probably why you get those reports.

SPECIAL ORDERS GRANTED

Mr. CANFIELD asked and was given permission to address the House today for 10 minutes, following the legislative program and any special orders heretofore entered.

Mr. JACKSON of California asked and was given permission to address the House for 1 hour on Friday next, following the legislative program and any special orders heretofore entered.

Mr. ARMSTRONG asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

MARINE CORPS

(Mr. JACKSON of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. JACKSON of California. Mr. Speaker, within a few days it is to be hoped that the House Committee on

There are no eminent people in the administrative branch of the Government with a good word for the commodities speculators. Defense Mobilizer Wilson, before a Senate committee last week, said that he was aware of no reason why the way should be left open for profiteering in this (commodity speculation) area and added that the small trader is attracted by the low margin rates in the commodities markets and that Congress should give him stand-by powers to regulate these margin requirements.

Speaking of low margin requirements, 5 will get you 10 from me that the views of the directors of the commodity exchanges will prevail in both the House and the Senate and that we will go into the next speculative binge without the controls asked by the President, Mr. Wilson, and Secretary Brannan.

Security Put Ahead

EXTENSION OF REMARKS

OF

HON. J. FRANK WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1951

Mr. WILSON of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Sam F. Holmes, from the Dallas News of July 6, 1951:

SECURITY PUT AHEAD—LIBERTY NEGLECTED,
LEGAL EXPERT SAYS
(By Sam F. Holmes)

Americans aren't much interested in liberty these days. They want security.

They are forgetting about their constitutional right of self-government. They leave that to someone else.

And few Americans understand the true principles of Americanism.

Such was the grim picture of the average American's attitude toward his freedom as painted Thursday by a brilliant legal authority and educator, Dean Clarence Manion of the Notre Dame College of Law.

Unless that mental attitude is drastically and effectively altered, the distinguished Hoosier told the district and county attorneys section of the State Bar Association in the Hotel Adolphus grand ballroom, this is what will happen:

Communist Russia will absorb the United States into its godless orbit without using a single soldier or bomb.

The Communists and Socialists already have a 25-year running start, he said.

The dean's no-holds-barred speech, in which he lambasted the Federal Government's trend toward absolute power, was a high light of the State bar's opening-day convention program. It earned him a rising ovation from 300 prosecutors and lawyers and the justices of the Texas Supreme Court and Court of Criminal Appeals.

"As long as we don't understand our own ideology, as long as we fail to realize the main issues in the world conflict; and as long as we flounder in flabby irresolution, Russia will try to take over the United States by utilizing misguided Americans," Manion declared.

Russia, he said, will not attack our strong side—our military and industrial forces. She will keep hitting at our weakness—general public confusion and our drift toward centralized and socialistic government.

"We must reverse the currents of American thought and channel them back to the simple American faith in God and in the inalienable God-given personal liberty that secured us from every form of tyranny for 150 glorious years."

Socialism and now communism have been eating at our Government for 25 years, he said.

"Many misguided so-called liberals and intellectuals have been trying to substitute government for God for a quarter century."

The Federal Government's tidelands grab is just one segment of the wide front over which the fire of communism is advancing, he said.

"Isn't it hypocritical to object to materialism in Russia or England if we yield to it here in the United States?" he asked, to loud applause.

Manion compared the condition of the United States today with 1776.

In the days of the Revolution, he said, we were weak militarily and industrially, but strong in principle and faith.

Today, we are strong materially, but weak in faith and principle.

"We aren't interested in liberty any more. We want security, survival, to keep what we have. Practically nobody is willing to risk his life, goods or honor on a principle."

What the conflict between America and the materialistic world boils down to is the principle of American liberty versus Godless tyranny.

"This is a campaign for the minds of men, particularly the minds of Americans," he said. "We need people today to point out the self-evident truths that the men of faith wrote into our Constitution."

Lawyers, he said, can play a big role there. "Don't let the case for humanity go by default," he pleaded.

Cuba's Sugar Exports to United States

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1951

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Herald Tribune of July 5, 1951, which I think should be made part of the record now being compiled on that most important household commodity, sugar. It is a letter of H. E. Luis Machado, Ambassador of Cuba, and is, as follows:

CUBA'S SUGAR EXPORTS TO UNITED STATES—
ISLAND'S PREEMINENT POSITION IS ANALYZED

To the New York Herald Tribune:

In last Sunday's issue of the New York Herald Tribune there appeared a letter entitled "Sugar for the United States," addressed to you by the Consul General of the Dominican Republic in New York.

These are the facts on sugar, as far as Cuba is concerned:

1. For the last three-quarters of a century Cuba has traditionally supplied all the sugar required by the United States for its consumption over and above American domestic production. In 1950 Cuba supplied approximately 40 percent of the total United States sugar requirements. This was nothing unusual, however, for 40 years ago—in 1910—before our exports of sugar to this country were restricted by tariffs and quotas, Cuba supplied the United States 51.5 percent of its total consumption, and this proportion continued to increase until in 1926 Cuba was supplying 65 percent of the total United States needs.

2. United States' present sugar needs are met in the first place from its own domestic

beet and cane sugar production; secondly, from imports of sugar from Puerto Rico, the Virgin Islands, Hawaii, and the Philippines under fixed quotas. The balance is supplied by Cuba and other foreign countries on percentages determined by the sugar act of 1948, the extension of which is now being considered by the Congress.

3. Cuba's prominent position as supplier of sugar to the United States has not been determined (as the letter published in your paper states) by the fact that American troops landed in Cuba after the Spanish-American War 50 years ago. Cuba's position as a natural supplier of sugar to the United States is due to the fact that the United States needs sugar, and Cuba is practically the only country in a position to guarantee to the American consumer all the sugar that the American public may need at reasonable prices. This fact has been acknowledged by the governments of both Cuba and the United States in their trade agreements and international obligations, which up to now have been respected and lived up to.

4. The experience of two world wars proves that Cuba is the only producer on which the United States (outside her own borders) can rely for its sugar supply in any international emergency. This, I am sure, is something that every housewife in America knows and remembers. Scarcely a year ago at the outbreak of hostilities in Korea, a sugar shortage was experienced by the United States; but, fortunately Cuba immediately placed 600,000 tons of sugar at the disposal of the United States Government for sale and distribution to American housewives at a price half a cent a pound below the then prevailing world market price.

5. At the present time, while world sugar market prices climb to as high as 8 cents a pound, Cuba has kept the United States supplied with all her requirements of imported sugar at a price 2 cents a pound below the world market price. Cuba could have made a very handsome profit by imitating other countries and selling this sugar in the world market instead of holding it for the United States at a lower price; but it has been Cuba's consistent policy throughout the years, and we consider it a moral obligation to protect our good customers and neighbors and not to take advantage of a situation.

6. You may be interested to learn that, while certain countries are clamoring for a future larger quota in the United States market, none of them has cared to fill its quota for the United States for 1950, nor during the first 5 months of 1951. The explanation is obvious. With raw sugar in the world market selling for approximately 2 cents a pound higher than in the United States, practically no sugar is coming into this country from any foreign country except Cuba. The latest figures from the Department of Agriculture show that against a quota of 8,163 tons, the Dominican Republic has shipped to this country only 520 tons during the first 5 months of this year. During the same period, Peru, with a quota of 13,606 tons, has shipped 59 tons. Salvador, with a quota of 7,384 tons, has shipped nothing. And nothing has been received from Nicaragua, with a quota of 8,380 tons. All of the remaining countries, having a combined quota of 6,537 tons, have shipped 15 tons to the United States. Cuba, on the other hand, recognizing a solemn obligation to retain sufficient sugar to provide for its quota in the United States, is doing so, despite the fact that each pound of sugar which is sold in this country yields 2 cents less than it would if sold outside the United States.

7. Cuba's preferred position in the sugar market of the United States is not only the result of the good-neighbor policy, but it also happens to be good sound business for the United States. Cuba is today the second largest Latin-American customer of the United States and the third largest country

trading with the United States. In 1950 Cuba bought from the United States \$460,500,000 and sold to the United States \$405,600,000, making a total volume of foreign trade \$866,100,000. This trade was \$11,000,000 larger than the total volume of trade between the United States and Great Britain. It was equal to the total volume of trade of France and Italy with the United States and larger than the combined trade of India, China, and Australia with the United States.

Cuba's volume of trade with the United States in fact is so large that it is only exceeded by Canada and Brazil despite the fact that its population is only one-third the population of Canada and one-tenth the population of Brazil.

8. The importance of Cuba as a customer of the United States is clearly established by the following figures: The total of United States exports in 1950 amounted to \$10,250,000,000; of this \$460,418,000 went to Cuba; practically \$5 out of every \$100. The total exports of the United States in 1950 to the entire world divided by its population gives a per capita purchase of \$4.65 of United States goods an inhabitant. But Cuba's per capita purchase of United States goods in 1950 amounted to \$85.30 a Cuban. The importance of Cuba as a client of the United States need not be reminded to the American farmers who every year send to Cuba 2 out of every 3 bags of rice exported, 4½ pounds out of every 100 of wheat flour exported and 15 out of every 100 pounds of lard shipped out of the country. It need not be stressed with the manufacturers of farm machinery, electrical equipment, and automobiles. Twelve out of every hundred automobiles exported in 1950 were shipped to Cuba. It need not be told to radio manufacturers who have sold 670,000 American radio sets in Cuba where they have a market for 80,000 sets a year, nor to the refrigerator manufacturers who have sold 150,000 refrigerators to Cubans who still keep buying them at the rate of 25,000 a year.

LUIS MACHADO,
Ambassador of Cuba.

WASHINGTON, D. C., July 2, 1951.

Like Human Skeletons, 14,000,000 Slaves Work In 175 Russ Camps

EXTENSION OF REMARKS OF

HON. TIMOTHY P. SHEEHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1951

Mr. SHEEHAN. Mr. Speaker, in the issue of the New World, dated July 6, 1951, the following article reporting on the radio address by Mr. Eiler Jensen, president of the Danish Federation of Labor, brings out the fact that, in spite of all humanitarian concepts, the Russians are able to maintain their economy and their stranglehold on Europe by means of slave labor.

The article reads as follows:

COPENHAGEN, DENMARK.—Documentary and mapped evidence has been offered to show that there are 14,000,000 slave workers and 175 camps for them in the wide stretches of the Soviet Union.

The disclosure was made by Eiler Jensen, president of the Danish Federation of Labor, in a radio address here. In this address, Jensen said:

"I have some documents before me from which it appears that there are 14,000,000

slave workers in the Gulag (the Soviet Union's central administration for labor camps), and I have photostatic copies of passports issued by the Gulag administration with seals and signatures of the camp commanders.

"I have a map of the enormous Soviet country with camps from Kamchatka (across Bering Strait from Alaska) right to the Western European border of Russia. There are 175 camps."

Showing photographs of three children, aged 2, 12, and 14, from these slave camps, he said:

"They are exactly like the pictures from the Nazi camps of the so-called human skeletons. They are like tiny skeletons. It is horrible. * * * We know that more people than in all Scandinavia are slaves in Eastern Europe today."

Jensen pointed out that in 1941 the Soviet Government issued a decree harnessing slave labor to the national economy, in accordance with which the MVD, the secret police, was given the task of administering slave labor in the fields of production and construction.

Jensen declared that forced labor camps were introduced in Bulgaria by two decrees of January 20, 1945, with amendments of March 25, 1948.

According to available information, he said, Czechoslovakia has 46 forced labor camps, "and information is also at hand regarding the exact position of the camps with an approximate figure of slave workers there."

Jensen recalled that the United Nations Economic and Social Council, meeting at Santiago, Chile, last March, passed a resolution to the effect that the International Labor Bureau be urged to assist in establishing a joint committee of impartial experts to study the character and extent of the existing slave labor camps and submit reports to the council and the labor bureau on the results of their investigation.

The resolution was passed 15-3, only the Soviet bloc of delegates opposing it.

Production of Synthetic Wool

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1951

Mr. BERRY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein the following telegram Harry J. Devereaux, of Rapid City, S. Dak., president of the American Wool Council, Inc., dispatched to Eric Johnston, Economic Stabilization Director, following Mr. Johnston's July 4 speech:

Your rash and incorrect statements regarding the existence of a synthetic wool equal to or superior to wool and the necessity of promoting its production to succeed wool, as reported in the New York Times on July 4, does a grave disservice to the entire wool-growing and wool-textile industries of the country.

Even the most optimistic producer of synthetic fibers will admit freely that to date no synthetic fiber has yet been produced which is comparable to wool in its exclusive qualities of protection, wear, and service.

Your conclusion as reported in the New York Times that synthetic wool will do to wool what nylon did to silk is apparently based on self-interested advice from someone or on your own lack of knowledge of

the basic facts regarding the great wool-fiber industries.

This entirely unsupported and gratuitous prediction attacks the stability of a basic agricultural industry which is a most important integer in the economy of 14 Western and Southwestern States that must depend upon the profitable use of their range lands for their very existence. It is a direct threat also to the great American wool-textile industry, employing some 165,000 persons with a fabric output approximately a billion and a quarter dollars annually.

DEFENSE NEEDS EXAGGERATED

Your further reported statement that wool is one of the raw materials on which prices have been rising steadily since Korea is incorrect. World wool prices advanced abnormally after the outbreak of the Korean War due almost entirely to the exaggerated statements of future wool requirements by our defense authorities.

These statements set off a world spree of wool speculation which collapsed immediately after our defense authorities announced they would not pursue the reckless course of duplicate stock-piling and material buying which they were announcing continuously and independently. You are apparently unaware of the fact that world wool prices have fallen spectacularly for the past several months and are now 50 percent below peak prices.

With respect to the exaggerated predictions of a world wool shortage, the world wool clip for 1951-52 will equal the largest wool clip ever produced and will be greater next year. Even allowing for 275,000,000 pounds of clean wool for military purposes, world wool supply for the coming year promises to equal demand.

URGES KNOWLEDGE OF FACTS

No one can object to your forwarding the success of any raw materials you believe will help our national defense. As Economic Stabilizer of the Nation in a time of grave national danger, however, we feel strongly that you should know your facts when you urge that the taxpaying public be obliged to finance the attempted destruction of a great essential agricultural raw-material industry and the largest wool-consuming wool-textile industry in the world.

The synthetic fibers with which you would replace these basic industries are so totally inferior to wool in essential qualities that there is no basis of comparison. Further, although I have made diligent inquiry I can find no record of any tests which have proven that any wool military fabrics have been improved by 20- to 30-percent adulteration. Nor do I find any record of any such fabrics in production.

This telegram is sent on behalf of American wool growers, wool-textile manufacturers, and other wool interests who are members of the American Wool Council.

CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expenses of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit (U. S. Code, title 44, sec. 150, p. 1939).

PRICE OF THE CONGRESSIONAL RECORD

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of Army Engineers for surveys and planning on authorized projects and flood hazard streams in the Missouri and Arkansas Basins as such surveys furnish necessary information for intelligent action; it is further

Resolved, That there should be an immediate start on the authorized flood-control projects at Wichita, Kans., and at Hutchinson, Kans. In addition, construction of the Toronto Dam should be started at once; be it further

Resolved, That the Kansas River Report of the Corps of Army Engineers should be immediately approved and authorized by the Congress of the United States.

Resolved, That authorization of all recommended flood-control projects, not already authorized, be forthcoming immediately, so all projects in Kansas and Missouri will be in readiness for appropriations and construction.

Resolved, That the people of the Missouri and Arkansas River Basins sincerely thank the Governors of the Missouri River States Committee for calling this meeting and the cities of Kansas City, Mo., and Kansas City, Kans., together with their respective chambers of commerce, for making facilities available for their meeting.

Resolved, That the people of the Missouri and Arkansas River Basins hereby commend the great work being done by the soil-conservation districts, the balanced-farming program, and the work by the Soil Conservation Service of the United States Department of Agriculture. We believe that this work is a very worthy and necessary soil-management practice. Further, we believe it is not a substitute for flood-control reservoirs and levees but is a most important supplementary measure; be it further

Resolved, That we earnestly recommend the immediate establishment of federally sponsored flood-protective insurance to be available at practical and reasonable cost to home owners, farmers, and all commercial institutions owning property in the flood plains of navigable rivers and their tributaries under the jurisdiction and control of the Federal Government. We believe this is imperatively essential to the prompt rehabilitation of the economic solvency of the flood-stricken valleys of Kansas, Missouri, Oklahoma, and Arkansas; be it further

Resolved, That this conference commends all governmental and voluntary relief agencies including the Congress of the United States for the interest which they have manifested in the provision of emergency relief and the rehabilitation of flood sufferers. We stress the fact that the magnitude of the problems of relief and rehabilitation cannot be adequately described or overstated. We therefore urge that every effort be made to effect a sound over-all organization of relief sources, both governmental and private, to the end that every essential need be promptly considered and available aid furnished. In that connection, we believe the provision of additional credit to flood sufferers is not an adequate answer to their essential needs and that within sound limitations the Federal flood insurance program suggested in another resolution be given retroactive effect; be it further

Resolved, That we highly commend the hundreds of individuals and communities all over the United States and Canada for their generous response to the call for help by the stricken area of Missouri and Kansas.

For the resolutions committee:

Z. R. HOOK,
Manhattan, Kans., Chairman.
LAMAR PHILLIPS,
Ottawa, Kans., Secretary.

The following resolutions were submitted from group meetings directly to the general session and adopted. Time did not permit their being submitted through the resolutions committee:

"It is petitioned that the Congress of the United States give immediate attention to increasing the aggregate amount of disaster loan funds available through the Reconstruction Finance Corporation above the present \$40,000,000 limitation now provided for in the Reconstruction Finance Corporation Act. It is believed that amount is vastly inadequate to meet the requirements of this type of financing in the Kansas-Missouri flood area.

"H. GAVIN LEEDY,
"Chairman."

"As a representative committee of agricultural producers of Missouri and Kansas, we wish to emphasize these points which were developed at the sectional meeting on emergency rehabilitation of flooded farm areas:

"1. We strongly recommend that funds and equipment be made available to level farm land and remove debris in order that immediate and continued cultivation be made possible. We further urge funds be made available to the Engineers by the Congress to rebuild the levees to the Engineers' specifications.

"2. We urge that funds and materials be made available immediately for the repair and rehabilitation of farm homes, farm buildings, fences and other equipment necessary to farming operations. We insist that in certain cases where necessary, this relief should be in the form of grants rather than loans.

"3. We further urge that due consideration be given to the relocation of farmsteads where the buildings and equipment have been frequently damaged because of their present hazardous location.

"4. It is of the utmost importance that emergency practices be added to the agricultural conservation docket in each State to provide for the flood emergency situation which has developed. We recommend payment at the rate of 80 percent of cost on the basis of immediate payment to the producer who installs these emergency practices.

"5. We recommend that emergency loan programs of all types be liberalized to meet the needs of individual borrowers and amortization be based on the future earning power of the farm.

"6. We respectfully ask that the Government make an immediate survey on the prospective need of grain for livestock feed in the counties in the disaster area; and that sufficient grain be set aside from the present Government stock to make it possible to maintain our present livestock herds. These funds to purchase the grain be made available on a long-time amortized loan basis.

"7. In conclusion, because of the great importance to the Nation of the Missouri River Basin as a leading agricultural and industrial area, we urge that sufficient Federal funds be made available to meet all needs of the comprehensive program of which agriculture is an integral part."

RESOLUTIONS COMMITTEE,
H. A. PRAEGER, Chairman.

The above resolutions were adopted by practically unanimous vote at this conference, which was attended by more than 1,200 registered persons principally from the flooded areas of Kansas and Missouri.

Gov. VAL PETERSON,
Chairman.

DAN S. JONES, Jr.,
Secretary.

PROPOSED AMENDMENT PROVIDING INCOME-TAX DEDUCTIONS BY PROFESSIONAL MEN FOR RETIREMENT

Mr. WILEY. Mr. President, I have received today from C. H. Crownhart,

secretary of the Wisconsin State Medical Society and the Wisconsin Bar Association, two telegrams conveying the views of those distinguished groups on a proposed amendment to the Income Tax Code under which self-employed business and professional men could deduct from their income tax an amount which they would set aside for purposes of retirement.

Over the years, there has been considerable discussion as to just how the self-employed can be assured equity insofar as taking care of their later years is concerned. They are not covered under the social-security system and accordingly an amendment such as the one mentioned in these wires has long been discussed.

I ask unanimous consent that the telegrams be printed in the Record at this point and be thereafter referred to the Senate Finance Committee for its careful consideration.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the Record, as follows:

MADISON, WIS., July 31, 1951.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

During national meeting of American Medical Association the Wisconsin delegates at the request of many Wisconsin physicians, and with approval of our State society submitted a resolution to the effect that the American Medical Association support amendments to the Income Tax Code permitting self-employed business and professional men, including partners and sole proprietors to set aside specified amounts of annual income for purposes of retirement with the amount so specified to be a deduction for Federal income-tax purposes. This will eliminate present discrimination against professional people in the formulation of pension claims. We understand that Ives amendment to H. R. 4473 under consideration by Finance Committee in Senate will effectuate the position of the State medical society and we urge your cooperation in securing favorable consideration of that amendment.

C. H. CROWNHART, Secretary.

MADISON, WIS., August 1, 1951.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Urge all possible support of Ives amendment to H. R. 4473, now before Senate Finance Committee. Amendment will for first time give income-tax recognition to personal retirement programs of self-employed, including professions. Present law an increasing penalty to self-employed and severe discrimination against professions in particular.

WISCONSIN BAR ASSOCIATION.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McCLELLAN, from the Committee on Public Works:

S. 1020. A bill to authorize a preliminary examination and survey for flood control and allied purposes of Las Vegas Wash and its tributaries, Las Vegas, Nev., and vicinity; without amendment (Rept. No. 605);

S. 1710. A bill to authorize the Secretary of the Army to convey certain road right-of-way easements in De Kalb and Putnam Counties, Tenn., to the State of Tennessee; without amendment (Rept. No. 606);

H. R. 4332. A bill to authorize the city of Burlington, Iowa, to own, maintain, and op-

erate a toll bridge across the Mississippi River at or near said city; without amendment (Rept. No. 607);

S. J. Res. 13. Joint resolution to change the name of the reservoir to be formed above Garrison Dam and known as Garrison Reservoir or Garrison Lake to Lake Thompson; without amendment (Rept. No. 608); and

S. J. Res. 19. Joint resolution to designate the lake to be formed by the McNary Lock and Dam in the Columbia River, Oreg. and Wash., as Lake Umatilla; without amendment (Rept. No. 609).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. KNOWLAND:

S. 1948. A bill for the relief of Rodolfo F. De La Cerna; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1949. A bill for the relief of Hattie Truax Graham, formerly Hattie Truax; to the Committee on the Judiciary.

S. 1950. A bill to amend section 1 of Public Law 2, Seventy-third Congress, so as to provide eligibility for pensions for certain widowers and for female veterans of World War I and World War II with dependent husbands; to the Committee on Finance.

By Mr. NIXON:

S. 1951. A bill for the relief of Jaroslav, Bozena, Yvonka, and Jarda Ondricek; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. 1952. A bill to amend or repeal certain Government property laws, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. MOODY:

S. 1953. A bill for the relief of Midori Sugimoto; to the Committee on the Judiciary.

By Mr. BENTON:

S. 1954. A bill for the relief of Giobatta Menegon; to the Committee on the Judiciary.

By Mr. LODGE (by request):

S. 1955. A bill for the relief of Joao Pinguel-Rodrigues; to the Committee on the Judiciary.

By Mr. BRICKER:

S. J. Res. 88. Joint resolution designating a 7-day period beginning August 19, 1951, as National Clay Week; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. J. Res. 89. Joint resolution authorizing the President to proclaim January 13 of each year as Stephen Foster Memorial Day; to the Committee on the Judiciary.

AMENDMENT OF SUGAR ACT OF 1948— ADDITIONAL COSPONSORS OF BILL

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the junior Senator from California [Mr. NIXON], the senior Senator from California [Mr. KNOWLAND], and the Senator from Washington [Mr. CAIN] be added as cosponsors on the bill (S. 1694) to amend and extend the Sugar Act of 1948, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, there has been quite a demand for this bill. I ask unanimous consent that the bill be reprinted with the names of all the sponsors added thereto.

The VICE PRESIDENT. Without objection, it is so ordered.

ASSISTANCE TO FRIENDLY NATIONS— AMENDMENT

Mr. AIKEN (for himself and Mr. MOODY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1762) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing assistance to friendly nations in the interest of international security, which was referred to the Committees on Foreign Relations and Armed Services, jointly, and ordered to be printed.

REVENUE ACT OF 1951—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 4473) to provide revenue, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HICKENLOOPER:

Article entitled "Are We Losing Friends Abroad?" delivered by Senator BENNETT at the third annual Colgate Foreign Policy Conference, Colgate University, Hamilton, N. Y., July 25, 1951.

By Mr. MUNDT:

Article entitled "Should the GOP Merge?" written by him and published in the July 28, 1951, issue of Collier's magazine.

By Mr. KEFAUVER:

Article entitled "Upward Price Trend Seen Under New Controls Act," written by Senator MOODY.

By Mr. AIKEN:

Letter from First Lt. Paul R. Teetor, Jr., an artillery officer serving in Korea.

By Mr. LANGER:

Editorial entitled "Tideland Myth," published in the Washington Post of August 2, 1951, having reference to the tideland oil question.

By Mr. JOHNSON of Colorado:

Editorial entitled "Educators Advised," published in Broadcasting magazine for July 23, 1951, with reference to the contribution of television to educational processes.

By Mr. MARTIN:

Editorial entitled "This Is a Republic; 'Democracy' a Mismomer," published in the Norristown (Pa.) Times-Herald of July 25, 1951.

By Mr. NIXON:

Article by Arthur Krock, Washington correspondent of the New York Times, on proposed tidelands legislation.

Editorial by Paul C. Smith, editor of the San Francisco Chronicle, regarding the truce in Korea.

By Mr. MURRAY:

Article entitled "Are Family Allowances on the Way Out?" written by J. Benjamin Beyer, assistant professor of social work at the Florida State University and published in the magazine Public Welfare for April 1949, which will appear hereafter in the Appendix.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk announced that the House had passed a bill (H. R. 3298) to amend section 503 (b) of the Federal Food, Drug, and Cosmetic Act, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 3298) to amend section 503 (b) of the Federal Food, Drug, and Cosmetic Act was read twice by its title and referred to the Committee on Labor and Public Welfare.

PRICING PRACTICES

The Senate resumed the consideration of the bill (S. 719) to establish beyond doubt that, under the Robinson-Patman Act, it is a complete defense to a charge of price discrimination for the seller to show that its price differential has been made in good faith to meet the equally low price of a competitor.

The VICE PRESIDENT. Under the unanimous-consent agreement provision is made for 4 hours of general debate, the time to be equally divided and to be controlled by the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Nebraska [Mr. WHERRY].

Mr. MCFARLAND. I suggest the absence of a quorum, and ask unanimous consent that the time consumed in the calling of the roll be charged to each side equally.

The VICE PRESIDENT. Without objection, it is so ordered. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Fourteen minutes were consumed in the quorum call, which time will be equally divided, 7 minutes to a side.

Mr. KEFAUVER. Mr. President, I yield myself 3 minutes.

In the debate on the pending bill the sponsors are repeatedly stressing that they are in favor of hard competition, and that they oppose the soft competition which the Robinson-Patman Act allegedly encourages. They keep saying that in the course of competition someone must get hurt. They keep saying that unless someone gets hurt, there is no competition.

Mr. President, I think those arguments are specious and misleading. Certainly competition means that some individuals get hurt occasionally. That is a fact not subject to dispute. But that is not the real question here involved. The question is whether we shall permit competitors to be driven out of business on a vast scale; whether we shall permit one or a handful of competitors to destroy, not individual competitors, but the whole competitive structure of an industry; and whether we shall permit them to hurt others, not by fair, but by foul means.

Furthermore, when the sponsors of the bill say that in competition someone must get hurt, the question arises as to who shall get hurt. If the Senate should have to choose—and I do not believe it does—between the thousands

Tariff Act of 1930 to provide for the duty-free importation of twine for baling hay, straw, and other fodder and bedding materials (H. Rept. 786);

H. R. 3436, authorizing vessels of Canadian registry to transport grain between U. S. ports on the Great Lakes during 1951 (H. Rept. 787);

H. R. 3209, amending the TVA Act to provide an increase in the per diem and subsistence allowance of commissioners handling condemnation proceedings (H. Rept. 788); and

Conference report on H. R. 3282, Treasury and Post Office Departments appropriation bill for 1952 (H. Rept. 789).

Pages 9618-9619

Interstate and Foreign Commerce: Adopted, by voice vote, H. Res. 323, to amend H. Res. 51, relating to the authority of the Committee on Interstate and Foreign Commerce to investigate matters within its jurisdiction, to allow investigations outside of the United States.

Pages 9569-9575

Military Research: Passed and sent to the Senate H. R. 1180, to facilitate the performance of research and development work by and on behalf of the Departments of the Army, the Navy, and the Air Force. This bill provides the Armed Forces with powers that are considered necessary to facilitate their research and development programs.

H. Res. 358, the rule providing for the consideration of H. R. 1180, was previously adopted.

Pages 9587-9590

Experimental Submarines: Passed, by voice vote, H. R. 1227, to amend the act authorizing the construction of experimental submarines by increasing the cost limitation. Adopted a committee amendment that raised the cost limitation to \$50 million.

H. Res. 359, the rule making in order the consideration of H. R. 1227, was adopted earlier.

Pages 9576-9587

Soviet Exports Ban: Adopted a perfecting committee amendment and passed H. R. 4550, to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

Rejected an amendment that sought to delete language authorizing the President to exempt countries where the cessation of aid would be detrimental to the security of the United States.

H. Res. 363, the rule providing for the consideration of H. R. 4550, was previously adopted.

Pages 9590-9602

Oatis Case: Considered H. Con. Res. 140, expressing indignation at the arrest and conviction of William N. Oatis by the Czechoslovakian Government, but deferred final action on the measure until Thursday.

Rejected an amendment designed to bypass the United Nations.

When the House adjourned there was pending an amendment, offered by Mr. Armstrong, stating it to be the sense of Congress that all commercial relations with Czechoslovakia be stopped and if Oatis is not released within 90 days the U. S. shall evacuate American nationals and take steps toward severing diplomatic relations.

Pages 9603-9614

Federal Reserve: Adopted, and thus cleared for the President, S. J. Res. 78, making the restrictions of the Federal Reserve Act on holding office in a member bank inapplicable to M. S. Szymczak when he ceases to be a member of the Board of Governors of the Federal Reserve System.

Page 9614

Coinage: Passed, without amendment, and sent to the Senate H. R. 3176, authorizing the coinage of 50-cent pieces to commemorate the lives and perpetuate the ideals and teachings of Booker T. Washington and George Washington Carver.

Pages 9614-9615

Order of Business: Calendar Wednesday business, in order on August 8, was dispensed with by unanimous-consent request.

Page 9615

Program for Monday: Adjourned at 6:15 p. m. until Monday, August 6, at 12 o'clock noon. For program, see Congressional Program Ahead in this Digest.

Committee Meetings

SUGAR—MOLLUSKS—FARM LOANS

Committee on Agriculture: Ordered the following bills reported favorably to the House:

H. R. 4521, amending the Sugar Act of 1948 by increasing sugar-production quotas of Puerto Rico and the Virgin Islands, and extending powers of the Secretary of Agriculture under the act until December 31, 1956. As reported, the bill was amended to increase from 250,000 to 300,000 gallons the liquid-sugar quota for the British West Indies;

H. R. 4443, to prevent the entry of certain mollusks into the United States; and

S. 684, to amend the Bankhead-Jones Farm Tenant Act relative to distribution of insured mortgage loans and increase of limitations on production and subsistence loans.

RESERVE COMPONENTS

Committee on Armed Services: Brig. Gen. Arthur Evans, executive director of the Reserve Officers' Association, testified at morning and afternoon sessions of the Brooks Special Subcommittee on Civilian Components, which is conducting hearings on H. R. 4860, the Armed Forces Reserve Act of 1951. Following General Evans' testimony the committee heard Maj. Gen. Milton A. Reckord and Maj. Gen. E. A. Walsh, both of the National Guard Association. Adjourned until tomorrow morning.

PROCUREMENT

Committee on Armed Services: Hébert Subcommittee on Procurement held executive meeting on committee business. Made no announcement and adjourned subject to call of the Chair.

DEFENSE HOUSING

Committee on Banking and Currency: Ordered reported to the House, with amendments, S. 349, to assist the provision of housing and community facilities and services required in connection with the national defense. The companion House bill (H. R. 2988) was reported on March 6, 1951. On March 14 the rule for its consideration was rejected by the House, which in effect killed the bill.

S. 349 was substantially modified in the Senate to meet some of the objections to certain provisions of the House bill. The total authorization for FHA insurance in the Senate version is \$1.5 billion and its use is limited to critical defense areas only. This provision was modified by the House committee to provide \$1.5 billion for FHA insurance but does not restrict its use to critical defense areas. Under the Senate bill the amount authorized to be appropriated for housing is limited to \$50 million, and the amount authorized to be appropriated for community facilities is \$60 million. The House provisions increase these amounts to \$75 million and \$100 million, respectively.

Among the noncontroversial items to be agreed upon were continuation of title VIII (military housing); extension of direct loans to veterans; maximum 6-percent down payment on veterans' home loans up to \$12,000; and extension of Lanham Act housing.

FEDERAL OVERSEAS ACTIVITIES

Committee on Expenditures in the Executive Departments: Lanham Subcommittee on Federal Relations With International Organizations held public hearing on H. R. 3406, creating the Commission on Overseas Administration to make a study of the administration of overseas activities of the Government and to make recommendations to Congress. Representative Church, author of the measure, and James K. Pollock of the Political Science Department, University of Michigan, and former member of the Hoover Commission, testified in support of the proposed bill. They also questioned the adequacy of the Brookings Institution study concerning overseas administration. Departmental witnesses who were heard were William F. Finan, Assistant Director for Administrative Management, Bureau of the Budget, and Col. Gordon Dawson, who presented the views of the Department of the Army. Executive consideration of the legislation is expected to be held at a future date to be set by the chairman.

HOME LOAN BANK BOARD

Committee on Expenditures in the Executive Departments: Holifield special subcommittee held further

hearings in connection with certain cases in litigation with Federal home loan banks in southern California. The first witness today was Michael Zarrilli, examiner for the Home Loan Bank Board, who testified in the morning session and resumed in the afternoon. He was followed by H. Graham Morison, Assistant Attorney General, Antitrust Division, Department of Justice; John M. Wyman, Chief Supervisor, Home Loan Bank Board; and A. E. Ammann, Assistant Supervisor of the Home Loan Bank System. Recessed until tomorrow morning.

MUTUAL SECURITY

Committee on Foreign Affairs: Met in executive session to consider H. R. 5020, the Mutual Security Act of 1951. Will continue on same bill tomorrow morning.

NATIONAL CEMETERIES

Committee on Interior and Insular Affairs: Bentsen Subcommittee on Public Lands resumed hearings on H. R. 5, to create a National Cemetery Commission for the consolidation of national cemetery activities within one civilian commission. Dr. W. L. Halberstadt, Charlotte, N. C., made a statement in connection with the proposed legislation as a representative of the American Cemeteries Association and the National Cemeteries Association. Departmental witnesses, speaking in opposition to the bill, were Conrad L. Wirth, Associate Director of the National Park Service; Thomas Hickey, Deputy Comptroller, Department of the Navy; Col. Harry L. Hart, executive and disbursing officer, Arlington Memorial Amphitheater Commission; Col. James B. Clearwater, Chief of the Memorial Division, Office of the Quartermaster General; and Lt. Col. J. C. Wicker, Administrative Branch, Office of the Quartermaster General. Recessed on this measure until tomorrow morning.

The subcommittee also rescinded its previous action whereby H. R. 2055, providing for a national cemetery in the vicinity of Los Angeles, Calif., was approved for reporting to the full committee. It will be reconsidered by the group at further hearings to be scheduled at a later date.

BAIL REFUNDS

Committee on the Judiciary: Lane Subcommittee No. 4 approved for reporting to the full committee H. R. 4945, authorizing the use of appropriations for refunding moneys erroneously received and covered for the refund of forfeited bail. Prior to this action today, a public hearing was held with testimony being received from the following officials of the Administrative Office of the U. S. Courts: Henry P. Chandler, Director; Elmore Whitehurst, Assistant Director; and Vivian A. Clements, Chief Auditor. Two officials of the General Accounting Office, who also testified, were Charles E. Johnson, legislative attorney, Office of the Comptroller General, and Willis Schuler, an attorney.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948

AUGUST 8, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 4521]

The Committee on Agriculture, to whom was referred the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

1. Page 1, line 8, insert a "dash" after the phrase "or revise existing quotas" and start a new paragraph with "(a)".

2. Page 2, immediately following the colon in line 12, strike out the word "Area" and insert in lieu thereof the word "Country".

3. Page 6, following line 3, insert the following new section:

SEC. 4. Section 208 of such Act is amended to read as follows:

"SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72 percent total sugar content
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
British West Indies.....	300, 000
Other foreign countries.....	0"

4. Page 6, lines 4, 11, and 15, renumber sections 4, 5, and 6 as 5, 6, and 7.

5. Page 6, line 16, change "sections 1 through 3" to "sections 1 through 4".

GENERAL STATEMENT

The accompanying bill reenacts, with relatively minor changes, the Sugar Act of 1948 which otherwise would terminate on December 31, 1952. The bill extends the act for 4 years, until December 31, 1956. It also amends the Internal Revenue Code by extending the applicability of the excise tax on sugar for 4 years until June 30, 1957. Changes in the Sugar Act are confined to those portions of the law relating to quotas. The major change in quotas is to increase the allocation to Puerto Rico by 170,000 tons annually, and that to the Virgin Islands by 6,000 tons. A quota of 300,000 gallons of liquid sugar is also established for the British West Indies to meet a particular situation in the molasses industry.

The allocation to the various producing areas on the mainland of the United States, and to Hawaii and the Philippine Islands, remains the same as in the existing law. A slight increase is provided in the allocation to foreign countries other than Cuba, which ship sugar into the United States, in order to restore to these countries their prewar ratio of sugar imports. Cuba's percentage share of the import trade in sugar is slightly reduced, but the actual tonnage of sugar which Cuba will ship to the United States is expected to increase, due to the fact that Cuba will receive a fixed percentage quota of an anticipated substantial increase in sugar consumption in the United States.

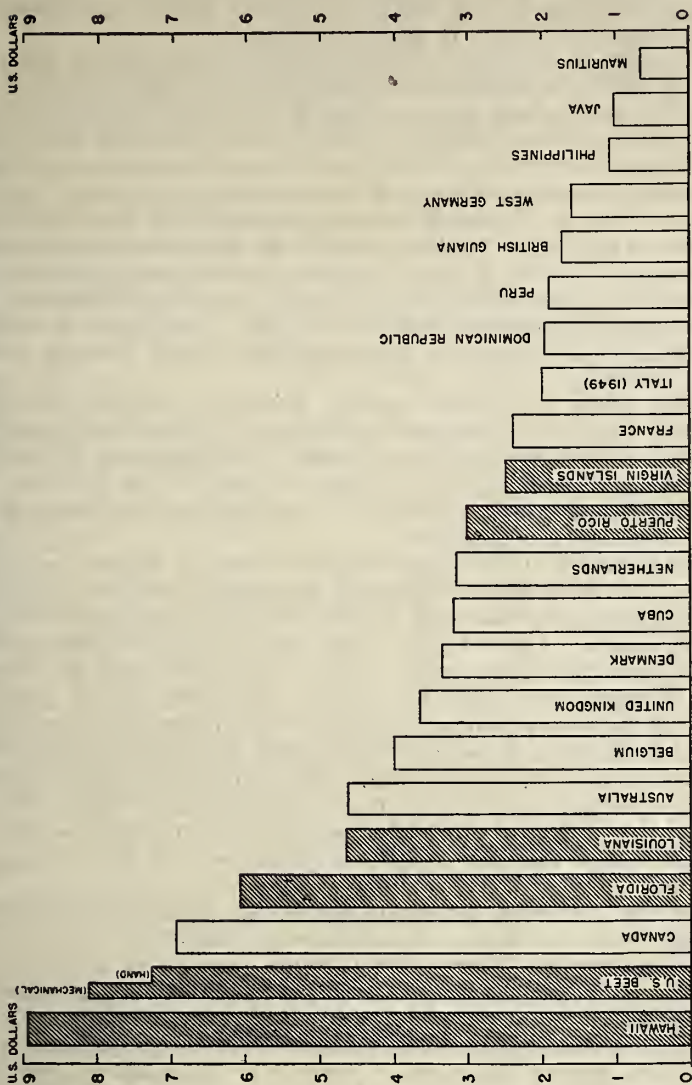
The provisions of the bill have been worked out in a series of conferences between producer and user groups in the sugar industry, representatives of the various sugar-producing areas, and an inter-departmental committee composed of representatives of the Departments of State, Interior, Commerce, Treasury, Agriculture, and the Tariff Commission. Particular consideration has been given to the matter by the Department of Agriculture, State, and Interior. In these conferences the interests of the various users and producers were carefully considered by the Government departments concerned and the bill represents a practical and equitable adjustment of those varying, and to some extent conflicting, interests. Many witnesses, representing both Government and industry, appeared before the committee during the 7 days of hearings on the bill, and unanimously recommended its enactment.

A few amendments were proposed but most of these would have had the effect of introducing new matter into the bill, rather than changing its present terms, and even those who proposed amendments indicated their support of the bill as reported, whether the amendments were included or not. The only substantive amendment actually made to the bill (the one providing the liquid-sugar quota for the British West Indies) is a committee amendment and was not proposed specifically by any witness during the hearings. As far as the committee is aware, there is no opposition anywhere to the enactment of this bill.

National policy

Sugar is an essential food product, and it has long been the established policy of the United States Government—for defense and strategic reasons—to preserve within the United States the ability to produce at least a portion of this vital food product needed by American consumers. Due to the cheap labor available in tropical countries

SUGAR BEETS AND SUGAR CANE DAILY EARNINGS OF HARVEST WORKERS - 1950 CROP



PRODUCTION AND MARKETING ADMINISTRATION

U.S. DEPARTMENT OF AGRICULTURE

Daily earnings of harvest workers in U. S. areas are among the highest in the world.

where sugar grows most abundantly, and to the fact that sugar (either beet or cane) is produced in some quantity in almost every country in the world, it is probable that little, if any, sugar would be grown in the United States if American producers had to compete on an open world market against the cheap production in other countries. The following chart shows how wages in United States sugar-producing areas compare with those in other countries.

The history of efforts to effectuate this national policy goes back almost to the first days of the Republic. For many years a tariff barrier was maintained against sugar from other countries, but this had the multiple disadvantage of arbitrarily increasing the price of sugar to consumers in the United States without assuring an adequate supply from foreign sources and at the same time leaving domestic production to be guided solely by the fluctuations of the world market in sugar. After more than a century of unsatisfactory experience with this tariff system, a quota system which prorates domestic consumption among producers in the United States and adjacent areas was developed and written into law in 1934. The quota system was revised in 1937 and again in the present act, which became effective January 1, 1948.

In 1950, under this quota system, domestic producing areas supplied 54.08 percent of the sugar consumed in the United States, as follows: Mainland beet and cane areas, 27.39 percent; Puerto Rico and the Virgin Islands, 12.85 percent; Hawaii, 13.84 percent. The Philippines supplied 5.72 percent; Cuba, 39.46 percent; and all other foreign countries, 0.74 percent.

An excise tax of 50 cents per 100 pounds and an import compensating tax at the same rate are applied to sugar in order to operate the program and equalize the cost of production in domestic and foreign producing areas. Out of the funds thus obtained, payments are made to domestic producers at a basic rate of 80 cents per hundred pounds of sugar, raw value, for the first 350 short tons of sugar produced on a farm and graduated progressively downward thereafter to a minimum of 30 cents per hundred pounds for sugar produced in excess of 30,000 short tons on a farm. Payment is made only to farmers who have complied with their marketing quotas. Those who participate in the program must also comply with regulations regarding wages and other working conditions prescribed by the Secretary of Agriculture.

Financially, the sugar program carried out under the authority of the various sugar acts has been one of the government's most successful program operations. From 1934 through the end of the fiscal year 1950, taxes collected as part of the sugar program have amounted to \$987,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program have totaled \$757,387,894, leaving an excess of taxes over expenditures, representing a net profit from the operation of the program, of \$230,364,522. On an annual basis, the average taxes collected have been a little over \$76,000,000, expenses including administration and payments have averaged about \$61,000,000, leaving a net average profit annually of almost \$16,000,000.

WORLD SUGAR SITUATION

During the past 100 years world sugar production has risen from less than 3 million tons to over 40 million tons annually, including 5,700,000 tons of noncentrifugal sugar which is consumed almost entirely in the areas where it is produced. Three-fourths of this increase has come in the present century. World production has doubled since 1920. As a result of these tremendous increases in supplies, sugar has ceased to be a luxury product and has become the cheapest food, on a calorie basis, of any important food product.

The following table shows world sugar production for the past 15 years.

Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1940-44, and annual 1947-50^{1 2}

Continent and country	Average		1947	1948	1949	1950 ³
	1935-39	1940-44				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America (cane):						
British Honduras	1	1	1	1	2	2
Canada	76	98	89	104	120	155
Costa Rica	9	15	23	28	23	25
El Salvador	18	23	33	28	30	35
Guatemala	19	24	30	37	38	40
Honduras	2	1	2	2	6	6
Mexico	354	450	714	754	712	800
Nicaragua	9	15	20	22	23	25
Panama	5	5	13	14	16	16
United States:						
Beet	1,518	1,451	1,832	1,370	1,564	1,950
Cane	474	429	376	477	520	525
Antigua	22	22	14	21	35	37
Barbados	133	108	65	152	161	165
Cuba	3,183	3,686	6,675	5,763	6,126	6,300
Dominican Republic	491	494	465	527	524	560
Grenada	1	1	1	1	1	1
Guadeloupe	60	51	31	50	72	75
Haiti	44	47	47	49	56	60
Jamaica	119	175	216	266	306	325
Martinique	65	36	25	30	41	65
Puerto Rico	974	961	1,108	1,277	1,286	1,275
Trinidad and Tobago	148	102	130	178	165	185
Virgin Islands of the United States	6	4	4	4	4	4
St. Kitts	36	36	36	41	46	50
St. Lucia and St. Vincent	9	9	10	13	14	15
Total North America	7,776	8,244	11,960	11,209	11,891	12,696
Europe (beet):						
Austria	196	128	44	58	74	115
Belgium	259	253	153	295	378	440
Bulgaria	24	47	21	82	60	45
Czechoslovakia	715	680	387	699	690	800
Denmark	257	232	243	292	355	400
Finland	13	6	9	21	25	30
France	1,059	643	732	1,058	972	1,350
Germany:						
Western zone	620	650	404	681	689	900
Eastern zone	1,000	950	459	750	612	850
Hungary	139	197	171	267	292	240
Ireland	89	103	75	106	110	112
Italy	426	422	270	502	556	600
Netherlands	257	212	246	315	441	450
Poland	1,000	870	606	765	909	1,000
Rumania	99	82	90	124	127	100
Spain ⁴	209	164	165	315	207	230
Sweden	340	318	268	321	321	350
Switzerland	13	22	26	30	29	30
United Kingdom	527	560	534	696	575	725
Yugoslavia	95	75	94	105	110	110
Total Europe (excluding U. S. S. R.)	7,337	6,614	4,997	7,482	7,532	8,877
U. S. S. R. (Europe and Asia) (beet)	2,761	1,350	1,700	2,000	2,200	2,300

See footnotes at end of table, p. 6.

Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1940-44, and annual 1947-50^{1 2}—Continued

Continent and country	Average		1947	1948	1949	1950 ³
	1935-39	1940-44				
Asia (cane):	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Iran (beet).....	21	27	63	43	34	56
Turkey (beet).....	76	103	118	145	165	147
Burma.....	27	18	20	13	7	7
China.....	438	402	380	400	300	300
Manchuria (beet).....	14	25	9	6	10	10
French Indochina.....	76	79	15	17	7	6
India.....	1,300	1,410	1,416	1,319	1,251	1,560
Japan (beet).....	⁴ 167	⁴ 134	24	21	28	30
Formosa.....	1,202	921	290	697	675	450
Pakistan.....	30	30	30	49	49	55
Indonesia.....	1,447	953	100	249	300	500
Philippine Islands.....	1,058	320	398	729	680	1,000
Siam.....	21	15	32	37	35	40
Total Asia.....	5,877	4,437	2,886	3,728	3,537	4,161
South America (cane):						
Argentina.....	480	480	668	623	605	675
Brazil.....	786	958	1,496	1,549	1,500	1,550
British Guiana.....	209	189	194	196	222	225
Colombia.....	50	79	127	162	187	190
Ecuador.....	24	32	40	48	54	56
Paraguay.....	7	13	18	14	19	19
Peru.....	430	463	520	518	475	500
Surinam.....	19	10	6	5	8	5
Uruguay (beet).....	2	2	1	2	4	4
Venezuela.....	19	34	31	48	57	65
Total South America.....	2,026	2,260	3,101	3,165	3,131	3,289
Africa (cane):						
Belgian Congo.....	14	17	19	18	14	15
Kenya.....		13	12	15	14	14
Tanganyika.....	63	9	8	7	9	9
Uganda.....		55	67	76	54	50
Egypt.....	167	190	245	210	193	200
Madagascar.....	13	14	8	13	16	18
Madeira Islands and Azores.....	9	5	8	8	8	8
Mauritius.....	321	330	384	432	459	490
Mozambique.....	79	76	88	83	110	115
Angola.....	38	54	49	61	55	57
Reunion.....	92	60	98	86	118	130
Union of South Africa.....	478	550	512	608	561	600
Total Africa.....	1,274	1,373	1,498	1,617	1,611	1,706
Oceania (cane):						
Australia.....	894	761	678	1,056	1,050	1,157
Fiji.....	143	115	156	149	143	115
Hawaiian Islands.....	980	880	835	956	960	1,085
Japanese Mandated Islands.....	69	30	0	0	0	0
Total Oceania.....	2,086	1,786	1,669	2,161	2,153	2,357
Total, cane.....	17,310	16,371	19,007	20,208	20,430	21,887
Total, beet.....	11,827	9,693	8,804	11,154	11,625	13,499
World total, beet and cane.....	29,137	26,064	27,811	31,362	32,055	35,386

¹ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.

² Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.

³ Preliminary.

⁴ Includes a small amount of cane sugar.

⁵ Cane and beet.

Source: Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U. S. Foreign Service officers, results of office research and other information. Estimates of countries having boundary changes have been adjusted to postwar boundaries except as noted.

The price effects of the increases in world production have been intensified by several conditions affecting production and consumption. A part of the increase in world production has resulted from the natural development of producing areas. However, production has been stimulated by very low wages in many tropical areas, by excessive protection in many consuming countries, and by direct and indirect export subsidies. Almost every country in the world has made sugar the subject of some kind of special legislation. Because of these conditions, declines in world prices have tended to have only a slight effect, if any, in restraining world production. On the other hand, declines in world prices have failed to stimulate world consumption fully because of the high levels at which prices are maintained in many consuming countries. In two-thirds of the countries for which retail price data are available, prices in March 1949 were from around 2 cents to 20 cents per pound above world prices. The average 1948 consumption for such countries was only 36 pounds per capita, and for the 14 countries having the highest prices, consumption was only 25 pounds per capita, compared with 93 pounds, refined value, that year in the United States.

In the 10 years ending in 1933, production in the present domestic areas as a whole nearly doubled, and receipts from the Philippines were multiplied nearly five times. These increased supplies, together with the decline in per capita consumption in the late 1920's and early 1930's caused a drop in United States imports of sugar. Imports from Cuba fell more than 50 percent, with disastrous effects on the Cuban economy. Since 1934 domestic production has fluctuated considerably, but it has averaged 3.9 million tons, the level it attained in 1933. Low production in the domestic areas during the war years resulted from various shortages, from the diversion of land to crops considered more essential to the war effort and, in the case of Hawaii, from direct war activities.

RETAIL PRICES OF REFINED SUGAR IN SELECTED COUNTRIES
(U. S. CENTS PER POUND)
MARCH, 1949



HISTORICAL DEVELOPMENT

Historically the United States has had significant tariffs on sugar. Although these tariffs have been moderate in comparison with the tariffs and other protective measures existing in many foreign countries, they nevertheless have artificially stimulated production in our domestic areas and the Philippine Islands. By 1933 it had become evident that tariff protection alone was not an effective or satisfactory means of assuring an adequate sugar supply at fair prices and that some type of quota system was needed for both the domestic sugar-producing industry and the Cuban industry. The following table shows United States tariff rates on sugar from 1789 to 1951. Under the sugar act the tariff has been reduced to 0.5 cent per pound on Cuban sugar and 0.625 cent per pound on sugar from full-duty countries.

Raw sugar: United States tariff rates, 1789-1951

Years	Tariff rate	Years	Tariff rate	Years	Tariff rate
	<i>Cts. per lb.</i>		<i>Cts. per lb.</i>		<i>Cts. per lb.</i>
1789-90.....	1	1855.....	30% = 1.56	1895.....	40% = .87
1790-97.....	1.5	1856.....	30% = 1.82	1896.....	40% = .93
1797-1800.....	2	1857.....	30% = 2.21	1897.....	40% = .80
1800-16.....	2.5	1858.....	30% = 1.56	1897-1913.....	1.685
1816-32.....	3	1859.....	30% = 1.50	1914-21 ²	1.0048
1832-46.....	2.5	1860.....	30% = 1.56	1921-22.....	1.60
1846.....	¹ 30% = 2.15	March 1861.....	.75	1922-30.....	1.7648
1847.....	30% = 1.76	August 1861-62.....	2.50	1930-34.....	2.0
1848.....	30% = 1.79	1862-64.....	3.00	1934.....	1.5
1849.....	30% = 1.43	1864-70.....	3.50	1934-39.....	.9
1850.....	30% = 1.50	1870-75.....	2.75	September-December 1939.....	1.5
1851.....	30% = 1.50	1875-83.....	3.4375	1939-42.....	.9
1852.....	30% = 1.30	1883-90.....	2.75	1942-47.....	4.75
1853.....	30% = 1.43	1890-94.....	(³)	1948-51.....	.50
1854.....	30% = 1.30	1894.....	¹ 40% = .98		

¹ 30 percent and 40 percent, respectively, of raw sugar prices, c. i. f. London as reported in Doerr, *The History of Sugar*, p. 531, and converted from shillings per British hundredweight (112 pounds) to cents per 100 pounds.

² Cuban rate used for the period since 1914, since this has been the effective rate.

³ Free (2 cents) bounty.

⁴ Tariff suspended May 1944 to December 1946 under Executive Order No. 9177, 7 F. R. 4195.

Source: Sugar reports No. 5, June-July 1949, pp. 30-35. Where tariff rate is based on Dutch standard, rate applicable from No. 13 to No. 15 was taken, except for 1862, where rate applicable to raw sugar and sugars not above No. 12 Dutch standard was used.

The first big step away from tariffs as the instrument of national sugar policy was the Jones-Costigan Sugar Act, adopted in 1934 as an amendment to the Agricultural Adjustment Act of 1933. It provided for an excise tax on sugar, for benefit payments to growers, and for the control of domestic production and imports. The Sugar Act of 1937 provided for an excise tax at the rate of one-half cent per pound, raw value, and for payments to growers on condition that marketings of sugar beets and sugarcane were kept within specified limits, that producers paid fair wages and employed no child labor, and that producers who are also processors paid fair prices for sugarcane or sugar beets purchased. Marketings for the domestic areas were not to exceed 55.59 percent of total domestic requirements, except that domestic marketings were not to be reduced below a total of 3,715,000 tons. The remaining domestic requirements were to be supplied by imports.

The Sugar Act of 1948 followed the major outlines of the Sugar Act of 1937, but incorporated several important changes to afford relief

from the depression which was expected to strike the Cuban sugar industry between 1948 and 1952. Fixed maximum quotas were established for the domestic areas and the Republic of the Philippines so that these areas would not participate during this specified period in the increase in domestic consumption. The Sugar Act of 1948 requires that our imports from foreign countries, other than the Republic of the Philippines, be supplied to the extent of 98.64 percent from Cuba and 1.36 percent from full-duty countries. The act also provides that Cuba shall share proportionately with domestic areas in the deficit resulting from the failure of any domestic area to fill its quota. Finally, Cuba was given 95 percent of the Philippine deficits. Full-duty countries, which formerly received all of the Philippine deficit, were given 5 percent of such deficit under the Sugar Act of 1948.

By giving Cuba essentially all of the deficits of the Philippines, which clearly would be large during the early postwar period, and by making Cuba the beneficiary of practically all increases in United States consumption until the end of 1952, it was believed that Cuba would be assured of a sufficient market in the United States to minimize the effects on the Cuban sugar industry of the anticipated decline in world demand. This committee emphasized in its report that the Sugar Act of 1948 was designed to meet problems of the temporary postwar transition period and was not to be regarded as the establishment of long-time national sugar policy. Actually, of course, the anticipated depression did not occur. The estimated value of the 1951 Cuban crop is over 700 million dollars and is second only to the value of the 1920 crop which, because of inflationary prices that year, sold for approximately 1 billion dollars. The four crops produced by Cuba since the Sugar Act of 1948 has been in effect have had an average value of \$580,000,000, the highest for any four consecutive crops on record. The value of the 1933 crop, for comparison, was \$44,000,000.

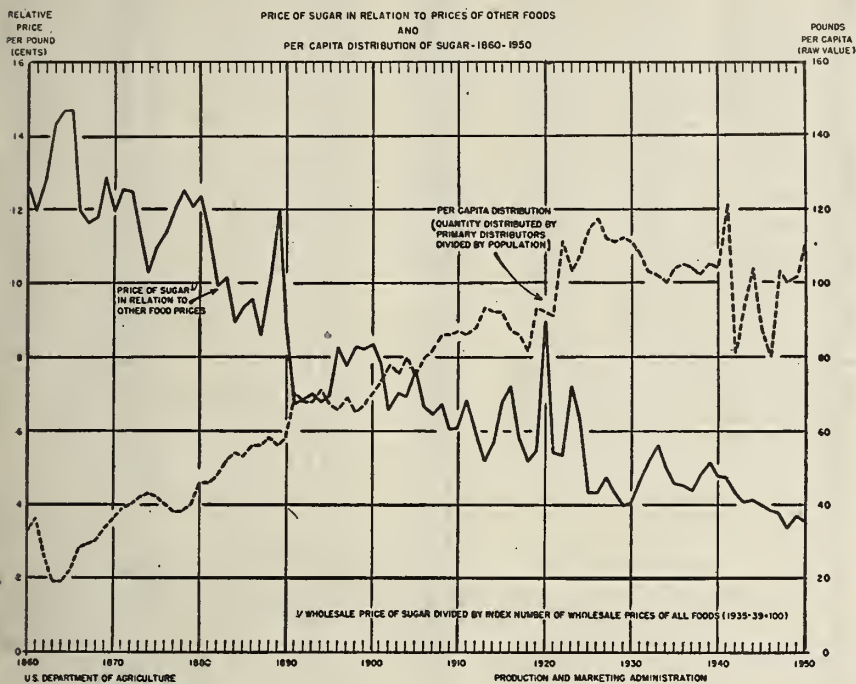
SUGAR PRICE

The sugar acts have been of great benefit both to consumers and producers in stabilizing domestic sugar prices and production. The legislation has assured producers of a market for a specified production of sugar at fair prices; it has assured consumers of adequate supplies of this essential food at prices which are not only fair but far lower than those prevailing in virtually any other country in the world which does not reduce the price of sugar artificially by means of a consumer subsidy. The following chart shows sugar consumption in the United States and the price of sugar compared to the price of other foods.

Because of the special subsidies, tariffs, and other restrictions which are applied to sugar in almost every country, there is relatively little sugar on the free world market. Consequently, the world market price of sugar gyrates sharply and is extremely susceptible to surplus and deficit conditions. The sugar acts have operated effectively to protect growers of the United States sugar supply during periods of depression in the world sugar market. Conversely, this legislation has operated effectively to keep domestic sugar prices below world prices in times of sharp increases in the world market price of sugar.

This has been the case during most of the past year. At the peak of prices in June of this year, the world sugar price was \$2.30 per hundred pounds above the price of United States quota sugar, f. a. s. Cuba.

Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history in comparison with prices of all foods. In relation to per capita disposable income, sugar prices have been maintained at approximately the low level established during the war years when the Commodity Credit Corporation spent \$133,000,000, in addition to the benefits of free duty entry equivalent to \$113,000,000, in paying subsidies and absorbing losses to maintain low sugar prices to consumers. The following table shows wholesale sugar prices and their relation to the price of other foods and to per capita disposable income from 1860 to June 1951.



Until 1926 the decline in sugar prices relative to the prices of other foods was accompanied by increased per capita sugar distribution. Since that time the relative decline in sugar prices has continued without an evident increase in per capita distribution. Per capita consumption appeared to be relatively stable in the late 1930's. During the war it depended upon the availability of supplies.

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1860	9.78	78		12.54	
1861	8.75	73		11.99	
1862	11.16	87		12.83	
1863	14.28	100		14.28	
1864	22.56	154		14.65	
1865	21.56	147		14.67	
1866	16.68	141		11.97	
1867	15.78	136		11.60	
1868	16.32	139		11.74	
1869	16.19	126		12.85	
1870	13.53	113		11.97	
1871	13.28	106		12.53	
1872	12.37	99		12.49	
1873	11.34	100		11.34	
1874	10.56	103		10.25	
1875	10.72	98		10.94	
1876	10.47	92		11.38	
1877	11.31	94		12.03	
1878	9.48	76		12.47	
1879	8.78	73		12.03	
1880	9.60	78		12.31	
1881	9.67	86		11.24	
1882	9.23	93		9.92	
1883	8.51	84		10.13	
1884	6.78	76		8.92	
1885	6.44	69		9.33	
1886	6.12	64		9.56	
1887	6.01	70		6.59	
1888	7.01	70		10.01	
1889	7.64	64		11.94	
1890	6.17	70		8.81	
1891	4.64	69		6.72	
1892	4.35	64		6.80	
1893	4.84	69		7.01	
1894	4.12	61		6.75	
1895	4.15	60		6.92	
1896	4.53	55		8.24	
1897	4.50	58		7.76	
1898	4.96	60		8.27	
1899	4.92	60		8.20	
1900	5.32	64		8.31	
1901	5.05	64		7.89	
1902	4.46	68		6.56	
1903	4.64	66		7.03	
1904	4.77	69		6.91	
1905	5.26	69		7.62	
1906	4.52	68		6.65	
1907	4.65	72		6.46	
1908	4.96	74		6.70	
1909	4.76	79		6.03	
1910	4.97	82	63	6.06	7.89
1911	5.34	78	63	6.85	8.48
1912	5.04	85	67	5.93	7.52
1913	4.28	82	69	5.22	6.20
1914	4.68	82	68	5.71	6.88
1915	5.56	82	71	6.78	7.83
1916	6.86	95	82	7.22	8.37
1917	7.66	132	98	5.80	7.82
1918	7.83	151	108	5.19	7.25
1919	9.00	164	122	5.49	7.38
1920	15.55	174	126	8.94	12.34
1921	6.19	114	99	5.43	6.25
1922	5.93	117	104	5.34	5.70
1923	8.41	117	119	7.19	7.07
1924	7.31	115	118	6.36	6.19
1925	5.45	126	123	4.33	4.43
1926	5.46	126	126	4.33	4.33

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951—Continued

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1927.....	5.79	122	124	4.75	4.67
1928.....	5.52	128	126	4.31	4.38
1929.....	5.03	126	132	3.99	3.81
1930.....	4.62	114	117	4.05	3.95
1931.....	4.43	95	99	4.66	4.47
1932.....	3.99	77	75	5.18	5.32
1933.....	4.32	77	70	5.61	6.17
1934.....	4.44	89	80	4.99	5.55
1935.....	4.86	106	89	4.58	5.46
1936.....	4.69	104	101	4.51	4.65
1937.....	4.73	108	108	4.38	4.38
1938.....	4.48	93	98	4.82	4.57
1939.....	4.57	89	104	5.13	4.39
1940.....	4.34	91	112	4.77	3.88
1941.....	4.92	104	134	4.73	3.67
1942.....	5.44	126	169	4.32	3.22
1943.....	5.49	135	189	4.07	2.90
1944.....	5.46	133	208	4.11	2.62
1945.....	5.39	135	211	3.99	2.55
1946.....	6.34	166	219	3.82	2.89
1947.....	8.12	214	229	3.79	3.55
1948.....	7.61	227	251	3.35	3.03
1949.....	7.81	204	245	3.83	3.19
1950.....	7.84	210	260	3.73	3.02
1951—January.....	8.08	230	-----	3.51	-----
February.....	8.08	237	-----	3.41	-----
March.....	8.08	236	-----	3.42	-----
January-March average.....	8.08	234	¹ 273	3.45	2.96
April.....	8.08	235	-----	3.44	-----
May.....	8.23	237	-----	3.47	-----
June.....	8.42	236	-----	3.57	-----
April-June average.....	8.24	236	¹ 277	3.49	2.97

¹ Preliminary—at annual rate.

SOURCES

Column 2:

1860-99: Palmers Sugar Manual, Concerning Sugar.

1900-51: Lamborn Sugar Market Report.

Column 3:

1860-1909: Wholesale Prices for 213 Years, Warren and Pearson.

1910-51: Bureau of Labor Statistics, index numbers based on 1925 converted to 1935-39=100.

Column 4:

1910-28: Estimates by BAE.

1929-51: Computed by BAE from data of U. S. Department of Commerce; published in the Livestock and Meat Situation.

Column 5: Column (2) divided by column (3).

Column 6: Column (2) divided by column (4).

Full-duty quota

One of the changes made in the 1948 act by this bill is to increase moderately the sugar quota for the full-duty countries from which United States imports sugar. These are the countries other than Cuba and the Philippines. Under the provisions of the Sugar Act of 1948, the Philippines receives a stipulated tonnage quota, as do the domestic-producing areas. This bill makes no change in the Philippine quota. Under the 1948 act, Cuba receives a quota equivalent to 98.64 percent of the estimated United States requirement remaining after the specific quotas to the domestic areas and the Philippines

have been allocated. The other countries, referred to as the full-duty countries, received a quota aggregating 1.36 percent of the sugar assignable to import countries. Under the terms of the bill herewith reported, the import quotas are to be divided 96 percent to Cuba and 4 percent to the full-duty countries.

This change merely restores the full-duty countries to the relative position they occupied prior to the war. At that time, in the years 1937 through 1941 (following which sugar quotas were suspended), these countries provided 3.97 percent of our dutiable sugar imports. Cuba supplied the balance, 96.03 percent.

During the war and immediate postwar period, sugar production in Cuba was greatly expanded at our request, in order to meet the increased sugar needs of the United States and its allies. In the Sugar Act of 1948, therefore, it seemed reasonable to the committee to give Cuba for a temporary period an unusually large share of United States import market, so that it might have a few years in which to readjust its economy.

Cuba has now had ample time to readjust its economy, and the committee believes that the prewar position of the full-duty countries should be restored. Because of the increased consumption in the United States, larger quotas can now be given to the full-duty countries without injury to Cuba. With the quotas for domestic areas other than Puerto Rico and the Virgin Islands remaining the same as under the 1948 act, the anticipated increased consumption in the United States will actually result in larger quotas for Cuba than in previous years.

Puerto Rican production

The bill increases the quota for Puerto Rico from 910,000 tons annually under the 1948 act, to 1,080,000 tons. In addition, Puerto Rico produces and refines its own sugar for domestic consumption, currently about 110,000 tons per year. While the increase of 170,000 tons in the Puerto Rico quota will not absorb the entire sugar production of which the island is capable in good crop years, it is believed that it will substantially improve the situation of producers in Puerto Rico.

The committee was asked to consider an increase in the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota. At the present time, Puerto Rico is limited to shipment of 126,000 tons of refined sugar to the mainland. It refines, of course, that sugar which is used domestically, but the total of approximately 236,000 tons which is now refined in Puerto Rico, is only about one-half the refining capacity presently available on the island. Puerto Rico's quota of refined sugar has not been increased since the establishment of sugar quotas in 1934, and no change is made in the refined-sugar quotas in this bill. The committee feels that some adjustment might well be considered in the proportion of the Puerto Rico quota which can be refined on the island, but it felt that this question is a matter distinctly separate from the assignment of over-all production quotas, with which this bill is concerned, and it believes that this matter should be taken up separately and at another time.

Molasses imports

During the hearings on this bill, extensive representations were made to the committee regarding the difficulties encountered by those who import molasses into the United States, and an amendment was proposed which would have changed the definition of liquid sugar embodied in the 1948 act (in which no change is made by this bill) so as to liberalize the definition of molasses. Under the present law, sugar-bearing liquids are classified as molasses if they contain 6 percent or more of soluble nonsugar solids. If they contain less than 6 percent of soluble nonsugar solids they are classified as liquid sugar. The duty on liquid sugars is comparable to that of crystalline sugar and is somewhat higher than the duty on molasses.

It was pointed out to the committee that some of the sugar-containing liquids which are imported and sold as molasses contain a relatively low percentage of soluble nonsugar solids, even though they have the color, taste, and aroma characteristically associated with molasses. This is particularly true, it was pointed out, of high quality molasses from Barbados, one of the islands of the British West Indies. Molasses from Barbados is an essential ingredient of some of the popular brands of molasses commonly sold at retail in the United States. When brought into this country it frequently shows a soluble nonsugar solid content of less than 7 percent—very close to the dividing line between molasses and liquid sugar.

If a shipment of molasses is offered for import and found to contain less than 6 percent soluble nonsugar solids, the importer has several alternatives if the molasses is from an area, such as Cuba, which has a liquid-sugar quota: He can bring the molasses in by paying the duty applicable to liquid sugar; he can combine the molasses in bond with molasses having a sufficiently high soluble nonsugar content, to bring the percentage of the mixture up to the molasses standard and then move the molasses through customs; or he can, of course, send the shipment back for adjustment in the producing area. In the case of molasses offered for import from Barbados, the importer has only two of these alternatives since there is no present liquid-sugar quota for the British West Indies: He must either mix the molasses before entry, so that it will come in as molasses; or he must reject the shipment. The liquid-sugar quota of 300,000 gallons annually which the committee has included in the bill as an amendment will relieve this situation. If a shipment of Barbados molasses arrives for entry and is found to fall within the classification of liquid sugar, the importer will not have to refuse it or mix it with other molasses, but can bring it into the United States by paying the liquid-sugar duty. The quantity (300,000 gallons) is believed to be large enough to take care of any such situation which is likely to arise.

AMENDMENTS

The only substantive amendment to the bill is the one described immediately above to provide a liquid sugar quota for the British West Indies. Amendments 1 and 2 merely correct typographical errors in the bill. Amendment 4 renumbers the sections to conform to the insertion of amendment No. 3. Amendment No. 5 includes the section dealing with the liquid sugar quota for the British West

Indies in those sections which, for administration purposes, take effect prior to 1953.

ANALYSIS OF THE BILL

Quotas

Section I of the bill provides for revisions in section 202 of the act with respect to domestic and foreign quotas. The revisions of domestic quotas and the general principles involved in the quota revisions have been discussed at length above. The net result of quota changes is to give Puerto Rico an additional 170,000 tons, the Virgin Islands an additional 6,000 tons, and to restore the quota of the full-duty countries to 4 percent of our total import requirements from foreign countries.

The quota for full-duty countries (other than Cuba and the Republic of the Philippines) has under previous legislation been prorated on the basis of a regulation which was based on imports received from such countries in the years 1926, 1929, and 1930. As a result, prorations were made to 27 countries, of which only 6 have supplied significant quantities in recent years. Therefore, it has been necessary for the Secretary of Agriculture to revise such prorations as of September 1 each year to make the quota available to the countries that might fill it. The bill provides that 95 percent of the full-duty quota be prorated among the six countries supplying significant amounts of sugar to the United States in recent years on the basis of average quantities received from such countries during the period 1948 to 1950, inclusive. The remaining 5 percent constitutes a reserve, which will be applicable to sugar from any other country, except that no one country will be permitted to utilize more than one-fifth of such reserve.

The quota for Cuba constitutes 96 percent of the total United States requirements in excess of the quantities supplied under the fixed quotas for the domestic areas and the Republic of the Philippines. Cuba, therefore, remains the principal beneficiary of increased sugar consumption in the United States.

A minimum quota is established for Cuba, amounting to 28.6 percent of total sugar requirements when such requirements are 7,400,000 tons, raw value, or less, or 2,116,000 short tons, raw value, when the total amount of United States sugar requirements exceeds 7,400,000 tons.

Proration of deficits

Section 2 of the bill amends section 204 of the Sugar Act, which relates to the proration of deficits. Subsection (a) provides that deficits may be declared in December when total requirements must be determined for the ensuing year. This addition will enable the Department of Agriculture to establish quotas promptly. This should be of particular benefit to importers and foreign producers. This subsection also eliminates a provision which prevents domestic areas from participating in deficits when total requirements are less than 7,000,000 short tons. With domestic requirements now placed at 8,250,000 tons, this provision has become obsolete. The bill provides for the proration to Cuba of possible deficits in quotas for full duty countries and for the proration of 96 percent of future Philippine deficits to Cuba, and 4 percent to full-duty countries, in accordance with the distribution of basic quotas. This section is also revised to omit reference to the form in which Philippine deficit

sugar may be entered, since that is covered by a later provision of the bill. Finally, this subsection provides a simplified procedure for utilizing deficits if areas to which they are initially assigned are unable to supply the sugar.

Subsection (b) permits a revision to be made in the proration for full-duty countries as soon as it becomes evident that a deficit will occur, but would continue to permit unfilled balances to be prorated on September 1. The requirement that a country fill its proration by September 1 to qualify for an additional quota is eliminated if the country can show it has the ability to fill such quota.

Subsection (c) merely clarifies the meaning of the existing section by inserting the words, "or applicable proration" after the words "the quota."

Entry of direct-consumption sugar

Section 3 of the bill adds a new subsection (h) to section 207 of the act, which limits the quantities of direct-consumption sugar which may be brought into the continental United States from offshore areas. The new subsection results in the same limitations on imports of direct-consumption sugar as those provided in the Sugar Act of 1948, even though revisions are made in the quotas. Provision is also made to assure to each full-duty country the opportunity of entering as much direct-consumption sugar as it entered on the average during the years 1948, 1949, and 1950.

Liquid-sugar quotas

Section 4 provides a liquid-sugar quota of 300,000 gallons for the British West Indies. This will permit the importation of Barbados fancy molasses which meets the qualifications of liquid sugar.

Period for which the bill is effective

Section 5 provides for termination of the act on December 31, 1956, except that the Secretary shall have power to make payments under title III on programs applicable to the crop year 1956 and previous crop years.

Section 6 extends to June 30, 1957, the period during which the excise tax is applicable to sugar.

Section 7 makes the bill effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is in italics, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1948¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or

¹ Section 7 of the bill provides that the amendments therein shall become effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during the calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas [4,268,000] *four million four hundred and forty-four thousand* short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar	1, 800, 000
Mainland cane sugar	500, 000
Hawaii	1, 052, 000
Puerto Rico	[910, 000] 1, 080, 000
Virgin Islands	[6, 000] 12, 000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such [areas] *countries* an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

[Area] Country	Per centum
Cuba	[98. 64] 96
Foreign countries other than Cuba and the Republic of the Philippines	[1. 36] 4

[The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment

Act, as amended.] *Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than two per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of one per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.*

(d) [Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.] *Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:*

(1) *28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and*

(2) *two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.*

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

[(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.]

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time [during the calendar year,] determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any [domestic] area[, the Republic of the Philippines, or Cuba,] will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect[: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value]. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for Cuba and foreign countries

other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba-----	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba-----	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines-----	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.】

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

(b) 【If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.】 *Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.*

(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section [204].

【(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.】

Sec. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

(h) *The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72 percent total sugar content
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
British West Indies.....	300, 000
Other foreign countries.....	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.*

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially

recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundredweight of such portion
350 to 700.....	\$0. 05
700 to 1,000.....	. 10
1,000 to 1,500.....	. 20
1,500 to 3,000.....	. 25
3,000 to 6,000.....	. 275
6,000 to 12,000.....	. 30
12,000 to 30,000.....	. 325
More than 30,000.....	. 50

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate

in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purpose of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1952] 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1952] 1956 and previous crop years.

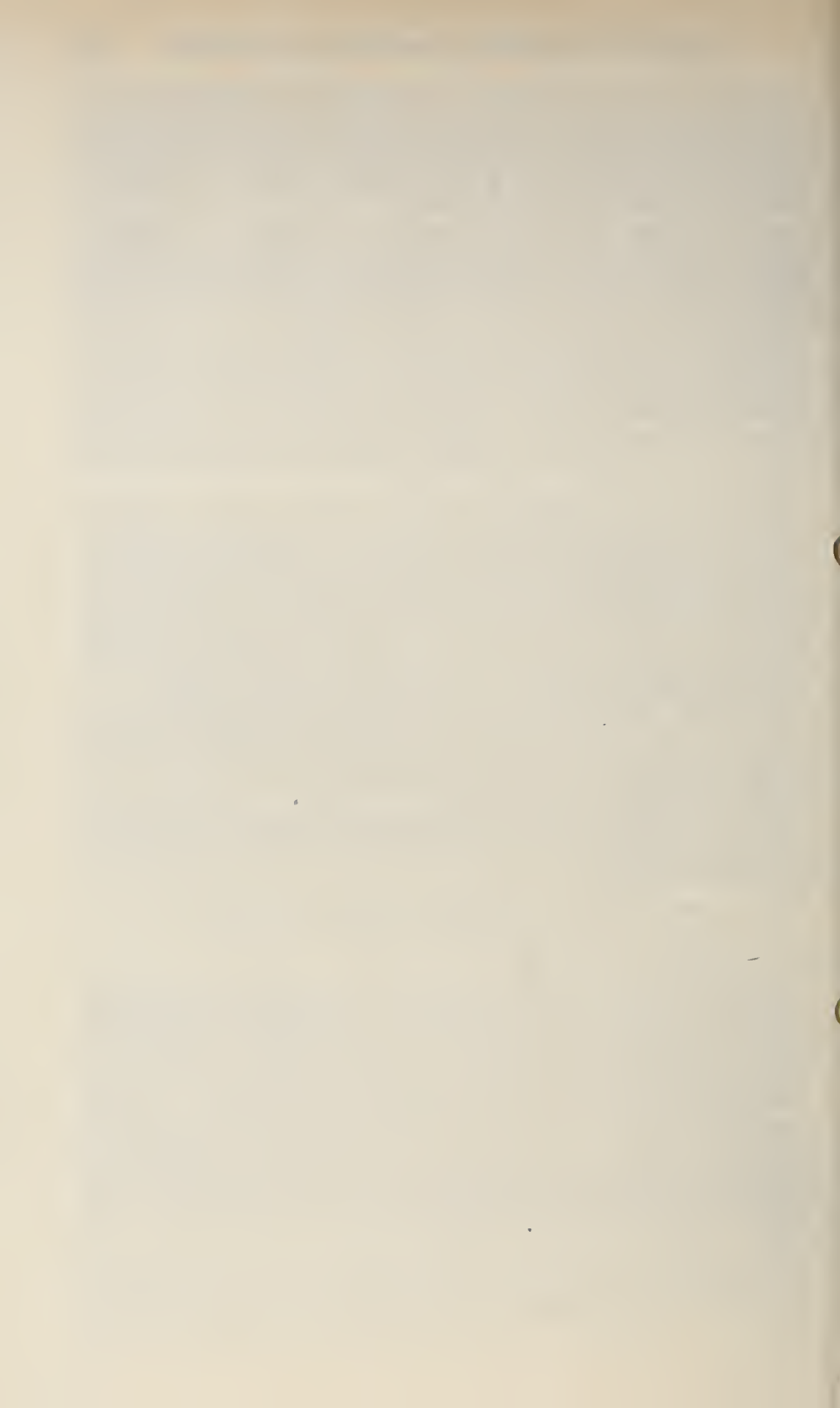
AMENDMENT TO INTERNAL REVENUE CODE

CHAPTER 32—SUGAR

SEC. 3508. TERMINATION OF TAXES

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1953] 1956. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, [1953] 1956, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, [1953] 1956, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer, subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary, an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.



Union Calendar No. 261

82D CONGRESS
1ST SESSION

H. R. 4521

[Report No. 810]

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1951

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 8, 1951

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend and extend the Sugar Act of 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 of the Sugar Act of 1948 is hereby amended
4 to read as follows:

5 “SEC. 202. Whenever a determination is made, pur-
6 suant to section 201, of the amount of sugar needed to meet
7 the requirements of consumers, the Secretary shall establish
8 quotas, or revise existing quotas ~~(a)~~ *for* quotas—

9 “(a) *For* domestic sugar-producing areas, by apportion-

1 ing among such areas four million four hundred and forty-
 2 four thousand short tons, raw value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii -----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

3 “(b) For the Republic of the Philippines, in the amount
 4 of nine hundred and fifty-two thousand short tons of sugar
 5 as specified in section 211 of the Philippine Trade Act of
 6 1946.

7 “(c) For foreign countries other than the Republic of
 8 the Philippines, by prorating among such countries an amount
 9 of sugar, raw value, equal to the amount determined pursuant
 10 to section 201 less the sum of the quotas established pursuant
 11 to subsections (a) and (b) of this section, on the following
 12 basis:

"Area Country	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines -----	4

13 “Ninety-five per centum of the quota for foreign coun-
 14 tries other than Cuba and the Republic of the Philippines
 15 shall be prorated among such countries on the basis of the
 16 average amount imported from each such country within
 17 the quotas established for the years 1948, 1949, and 1950,
 18 except that a separate proration need not be established for
 19 any country which entered less than two per centum of

1 the average importations within the quotas for such years.
2 The amount of the quota not so prorated may be filled by
3 countries not receiving separate prorations, but no such
4 country shall enter an amount pursuant to this subsection in
5 excess of one per centum of the quota for foreign countries
6 other than Cuba and the Republic of the Philippines.

7 “(d) Notwithstanding the other provisions of this title
8 II, the minimum quota established for Cuba, including in-
9 creases resulting from deficits determined pursuant to section
10 204 (a), shall not be less than the following:

11 “(1) 28.6 per centum of the amount of sugar deter-
12 mined under section 201 when such amount is seven
13 million four hundred thousand short tons or less; and

14 “(2) two million one hundred and sixteen thousand
15 short tons, when the amount of sugar determined under
16 section 201 is more than seven million four hundred
17 thousand short tons.

18 The quotas for domestic sugar-producing areas, established
19 pursuant to the other provisions of this title II, shall be
20 reduced pro rata by such amounts as may be required to
21 establish such minimum quota for Cuba.”

22 SEC. 2. Section 204 of such Act is amended to read as
23 follows:

24 “SEC. 204. (a) The Secretary shall from time to time

1 determine whether, in view of the current inventories of
2 sugar, the estimated production from the acreage of sugar-
3 cane or sugar beets planted, the normal marketings within
4 a calendar year of new-crop sugar, and other pertinent fac-
5 tors, any area will be unable to market the quota for such
6 area. If the Secretary finds that any domestic area or
7 Cuba will be unable to market the quota for such area, he
8 shall revise the quotas for the domestic areas and Cuba by
9 prorating an amount of sugar equal to the deficit so deter-
10 mined to the other such areas on the basis of the quotas
11 then in effect. If the Secretary finds that the Republic of
12 the Philippines will be unable to market the quota for such
13 area, he shall revise the quotas for Cuba and foreign coun-
14 tries other than Cuba and the Republic of the Philippines
15 by prorating an amount of sugar equal to the deficit so
16 determined, as follows:

17 “To Cuba, 96 per centum; and

18 “To foreign countries other than Cuba and the
19 Republic of the Philippines, 4 per centum.

20 If the Secretary finds that foreign countries other than
21 Cuba and the Republic of the Philippines cannot fill the
22 quota for such area, he shall increase the quota for Cuba
23 by an amount equal to the deficit.

24 “Whenever the Secretary finds that any area will be
25 unable to fill its proration of any such deficit, he may ap-

1 portion such unfilled amount on such basis and to such areas
2 as he determines is required to fill such deficit.

3 “(b) Whenever the Secretary finds that any country
4 will be unable to fill the proration to such country of the
5 quota for foreign countries other than Cuba and the Republic
6 of the Philippines established under section 202 (c), or
7 that any part of such proration has not been filled on Sep-
8 tember 1 of the calendar year, he may apportion such un-
9 filled amount on such basis and to such countries as he
10 determines is required to fill such proration.

11 “(c) The quota or applicable proration for any domestic
12 area, the Republic of the Philippines, Cuba, or other foreign
13 countries as established under the provisions of section 202
14 shall not be reduced by reason of any determination of a
15 deficit existing in any calendar year under the provisions of
16 subsections (a) and (b) of this section.”

17 SEC. 3. Section 207 of such Act is amended by adding
18 a new subsection (h) as follows:

19 “(h) The quota for foreign countries other than Cuba
20 and the Republic of the Philippines may be filled by direct-
21 consumption sugar only to the extent of 1.36 per centum of
22 the amount of sugar determined pursuant to section 201 less
23 the sum of the quotas established in subsections (a) and (b)
24 of section 202: *Provided*, That each such country shall be
25 permitted to enter an amount of direct-consumption sugar

1 not less than the average amount entered by it during the
2 years 1948, 1949, and 1950.”

3 *SEC. 4. Section 208 of such Act is amended to read as*
4 *follows:*

5 “*SEC. 208. Quotas for liquid sugar for foreign countries*
6 *for each calendar year are hereby established as follows:*

	<i>In terms of wine gallons of 72 per centum total sugar content</i>
<i>Country</i>	
<i>Cuba</i> -----	<i>7,970,558</i>
<i>Dominican Republic</i> -----	<i>830,894</i>
<i>British West Indies</i> -----	<i>300,000</i>
<i>Other foreign countries</i> -----	<i>0”</i>

7 ~~SEC. 4~~ 5. Section 411 of such Act is amended to read
8 as follows:

9 “~~SEC. 411.~~ The powers vested in the Secretary under
10 this Act shall terminate on December 31, 1956, except that
11 the Secretary shall have power to make payments under title
12 III under programs applicable to the crop year 1956 and
13 previous crop years.”

14 ~~SEC. 5~~ 6. Section 3508 of the Internal Revenue Code
15 (relating to termination of taxes) is amended by striking out
16 “June 30, 1953” wherever appearing therein and inserting
17 in lieu thereof “June 30, 1957”.

18 ~~SEC. 6~~ 7. The amendments herein shall become effective
19 January 1, 1953, except that sections 1 through 3 hereof
20 shall be effective for purposes of the determinations and regu-
21 lations required for the calendar year 1953.

82ND CONGRESS
1ST SESSION

H. R. 4521

[Report No. 810]

A BILL

To amend and extend the Sugar Act of 1948,
and for other purposes.

By Mr. COOLEY

JUNE 20, 1951

Referred to the Committee on Agriculture

AUGUST 8, 1951

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

698. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act entitled 'An act to regulate the practice of veterinary medicine in the District of Columbia,' approved February 1, 1907"; to the Committee on the District of Columbia.

699. A letter from the Acting Executive Officer, National Capital Park and Planning Commission, transmitting a draft of a proposed bill entitled, "A bill to create a National Monument Commission and for other purposes"; to the Committee on Interior and Insular Affairs.

700. A communication from the President of the United States, transmitting proposed deficiency appropriations for the fiscal year 1951 in the amount of \$51,000 for the legislative branch (H. Doc. No. 223); to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COX: Committee on Rules. House Resolution 372. Resolution for consideration of H. R. 4914, a bill to authorize certain construction at military and naval installations, and for other purposes; without amendment (Rept. No. 804). Referred to the House Calendar.

Mr. WALTER: Committee of conference. H. R. 1103. A bill for the relief of Sidney Young Hughes; without amendment (Rept. No. 805). Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 806. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 5013. A bill to authorize the President to proclaim regulations for preventing collisions at sea; without amendment (Rept. No. 807). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 4521. A bill to amend and extend the Sugar Act of 1948, and for other purposes; with amendment (Rept. No. 810). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. S. 1220. An act to authorize the appointment of Bernt Balchen as a permanent colonel in the Regular Air Force; without amendment (Rept. No. 808). Referred to the Committee of the Whole House.

Mr. KILDAY: Committee on Armed Services. H. R. 4392. A bill to authorize the appointment of Joseph F. Carroll as a permanent colonel in the Regular Air Force; without amendment (Rept. No. 809). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5071. A bill to enable the Legislature of the Territory of Hawaii to authorize the county of Maui, T. H., to issue public-

improvement bonds for the construction of flood-control projects on Iao stream; to the Committee on Interior and Insular Affairs.

H. R. 5072. A bill to enable the Legislature of the Territory of Hawaii to authorize the county of Maui, T. H., to issue public-improvement bonds for the construction of new public-school buildings; to the Committee on Interior and Insular Affairs.

By Mr. HELLER:

H. R. 5073. A bill to provide that a district office of the Veterans' Administration shall be maintained in the city of New York; to the Committee on Veterans' Affairs.

By Mr. OSTERTAG:

H. R. 5074. A bill to amend section 201 of the Federal Civil Defense Act of 1950 by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps; to the Committee on Armed Services.

By Mr. REED of New York:

H. R. 5075. A bill to amend the Federal Regulation of Lobbying Act so as to decrease to \$50 the minimum contribution with respect to which certain information must be maintained and reported thereunder; to the Committee on the Judiciary.

H. R. 5076. A bill relating to Federal grants-in-aid to States under the Social Security Act; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 5077. A bill amending certain limitations on number of aircraft, units, and organizations which may be maintained and operated by the Air Force of the United States, and for other purposes; to the Committee on Armed Services.

H. R. 5078. A bill to authorize the construction of modern aircraft carriers; to the Committee on Armed Services.

By Mr. WIER:

H. R. 5079. A bill to establish a Missouri Valley Authority to provide for unified water control and resource development on the Missouri River, its tributaries, and watershed; to prevent floods, reclaim and irrigate lands, encourage agriculture, stimulate industrial expansion, develop low-cost hydroelectric power, promote navigation, increase recreational possibilities, protect wildlife, strengthen the national defense; and for other purposes; to the Committee on Public Works.

By Mr. WOOD of Idaho:

H. R. 5080. A bill to rescind and revoke membership of the United States in the United Nations and the specialized agencies thereof, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BURDICK:

H. R. 5081. A bill to rescind and revoke membership of the United States in the United Nations and the specialized agencies thereof, and for other purposes; to the Committee on Foreign Affairs.

H. R. 5082. A bill to declare that the United States hold certain lands in trust for the Standing Rock Sioux Tribe of the Standing Rock Reservation in North and South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. MASON:

H. R. 5083. A bill to repeal provisions of the Social Security Act which require State plans for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, to restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of such plans; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 5084. A bill to prohibit the Administrator of Veterans' Affairs from consolidating any offices under his jurisdiction, or directing reductions in force of Veterans' Administration personnel, without notifying the

Congress, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KARSTEN of Missouri (by request):

H. R. 5085. A bill to provide for the carrying out of the recommendations of the Commission on Organization of the Executive Branch of the Government relating to the Department of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mrs. CHURCH:

H. Res. 373. Resolution providing certain death and burial benefits to the estate of Helen Gertrude Nelsch; to the Committee on House Administration.

By Mr. KEATING:

H. Res. 374. Resolution authorizing inquiry into manner of selecting candidates for the United States Military and Naval Academies; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States relative to the mutual aid compact entered into between the States of Alabama and Georgia; and also the mutual aid compact recently entered into between the States of Alabama and Tennessee; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5086. A bill for the relief of Sam Mun Young; to the Committee on the Judiciary.

H. R. 5087. A bill for the relief of Hoong Moy Lam; to the Committee on the Judiciary.

By Mr. FURCOLO (by request):

H. R. 5088. A bill for the relief of Pantaleone Capuano; to the Committee on the Judiciary.

By Mr. GRANGER:

H. R. 5089. A bill for the relief of Olga Madson; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5090. A bill for the relief of Mrs. Ruth M. Auth; to the Committee on the Judiciary.

H. R. 5091. A bill for the relief of Mrs. Richard L. Grayless; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 5092. A bill to authorize the advance on the retired list of First Lt. Nicholas Mainiero, United States Marine Corps Reserve (retired), to the grade of captain; to the Committee on Armed Services.

By Mr. RIBICOFF:

H. R. 5093. A bill for the relief of Emery Geller; to the Committee on the Judiciary.

H. R. 5094. A bill for the relief of Paul Kusmanoff; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 5095. A bill for the relief of Mrs. Edward B. Formanek; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were introduced and referred as follows:

379. Mr. HOPE presented a resolution of the Baptist Church of Hugoton, Kans., urging that all grains and fruits now used for the manufacture of all distilled, fermented, and malt beverages be diverted to purposes which are useful in our national defense, which was referred to the Committee on the Judiciary.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, Seventy-ninth Congress, title III, Regulation of Lobbying Act, section 308 (b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the

Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received for the first calendar quarter of 1951.

QUARTERLY REPORTS

The following quarterly reports were submitted for the first calendar quarter 1951:

(NOTE.—The form used for quarterly reports is reproduced below. Questions are not repeated, only the answers are printed and are indicated by their respective letter and number.)

File two copies with the Secretary of the Senate and file two copies with the Clerk of the House of Representatives. This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data. Place an "X" below the appropriate letter or figure in the box at the right of the "Report" heading below:

"PRELIMINARY" REPORT: To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Fill in the year in the box at the left of the "Report" heading below.

Year: 19----	REPORT	P	1	2	3	4
PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT						
A. ORGANIZATION OR INDIVIDUAL FILING—State name, business address, and nature of business:						
B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None." (If the work is done in the interest of one person, but payment therefor is made by another, list both persons as employers.)						
C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:						
1. State approximately how long legislative interests are to continue. If legislative interests have terminated with the current quarter: Please explain, so that this Office will no longer expect to receive Reports.						
2. State the general legislative interests of the person filing and set forth the <i>specific</i> legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known.						
3. In the case of each publication which the person filing has issued or caused to be issued in connection with legislative interests, set forth: (a) description, (b) quantity published, (c) date of publication, (d) name of printer.						
(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)						
4. NOTE.—If this is a "Preliminary" Report, in addition to the other data in the space above, state: (a) whether compensation is to be paid by the day, by the month, or by the year; (b) what the rate of compensation is to be; (c) what the approximate period of employment will be; (d) what the nature and amount of anticipated expenses will be.						

AFFIDAVIT

[Omitted in printing]

PAGE 1

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS)

(from which Expenditures are made, or will be made, in connection with legislative interests)

Receipts (other than loans)

1. \$-----Dues and assessments
2. \$-----Gifts of money
3. \$-----Printed or duplicated matter received as a gift
4. \$-----Receipts from sale of printed or duplicated matter
5. \$-----Received for services, i. e., salary, fee, per diem, etc.
6. \$-----Other contributions received
7. \$-----TOTAL for this Quarter (Add items "1" through "6")
8. \$-----Received during previous Quarters of calendar year
9. \$-----TOTAL from Jan. 1 through this Quarter (Add "7" and "8")

Loans Received

- Section 302 (a). "The term 'contribution' includes a . . . loan . . ."
10. \$-----TOTAL now owed to others on account of loans
 11. \$-----Borrowed from others during this Quarter
 12. \$-----Repaid to others during this Quarter

Contributors of \$500 or More

(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": -----

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter, total of \$500 or more:

Attach hereto plain sheets of paper, approximately the size of

this page, tabulate data under the headings, "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount Name and Address of Contributor ("Period" from Jan. 1 through -----, 19----

\$1,500.00 John Doe, 1621 Blank Bldg., New York, N. Y.

1,785.00 The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.

\$3,285.00 TOTAL

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Expenditures (other than loans)

1. \$-----Public relations and advertising services
2. \$-----Wages, salaries, fees, commissions (other than Item "1")
3. \$-----Gifts or contributions made during Quarter
4. \$-----Printed or duplicated matter, including distribution cost
5. \$-----Office overhead (rent, supplies, utilities, etc.)
6. \$-----Telephone and telegraph
7. \$-----Travel, food, lodging, and entertainment
8. \$-----All other expenditures
9. \$-----TOTAL for this Quarter (add "1" through "8")
10. \$-----Expended during previous Quarters of calendar year
11. \$-----TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

Section 302 (b). "The term 'expenditure' includes a . . . loan . . ."

12. \$-----TOTAL now owed to person filing
13. \$-----Lent to others during this Quarter
14. \$-----Repayments received during this Quarter

15. \$-----If there is an employer, state what amount of the Expenditures for this Quarter has been or will be defrayed by such employer.

16. Recipients of Expenditures of \$10 or More

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following headings: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	Date or Dates	Name and Address of Recipient	Purpose
\$1,750.00	7-11:	Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.	Printing and mailing circulars on the "Marshbanks Bill."
\$2,400.00	7-15, 8-15, 9-15	Britten & Blatten, 3217 Gremlin Bldg., Washington, D. C.	Public relations service at \$500.00 per month.
\$4,150.00	TOTAL		



PERMISSION TO ADDRESS THE HOUSE

(Mr. RANKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix of the Record.]

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE STEPHEN T. EARLY

(Mr. McCORMACK asked and was given permission to address the House for 1 minute.)

Mr. McCORMACK. Mr. Speaker, I rise to pay tribute to a great American whose death on last Saturday has saddened the Nation.

Stephen T. Early began his distinguished career as a newspaperman and served with the United Press and the Associated Press. His record in this difficult field was notable for his achievements.

I came to know Steve Early very well when he was called to the White House to serve in the capacity of press secretary for President Roosevelt. I know of the high regard and warm friendship in which he was held by our late President. On President's Roosevelt's death Steve Early continued his arduous duties serving President Truman faithfully and with a high sense of duty through some of the most important years of our history. President Truman paid high tribute to him for his splendid service.

During his tenure of office as Under Secretary of Defense, an all-important post to which he was called by President Truman, Steve Early again proved his vision and ability as well as his courage and willingness to follow the course of duty as his contribution to the betterment of our Nation and its citizens.

Steve Early, competent and efficient, gave of himself to his country unselfishly and at great sacrifice. He served his country with ability, courage, honor and distinction.

I personally have lost a close friend and one for whom I had the highest regard and admiration.

Mr. Speaker, I know I voice the sentiments of this House when I extend and express to Mrs. Early and her sons and daughter my deepest sympathy in their great loss and sorrow. I am sure they find comfort in the great work of husband and father. Steve Early will long be remembered for his contributions as a citizen and as a public official. He will long linger in the minds of those who knew him and his outstanding work has left his imprint on the pages of American history.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 152]

Abbott	Garmatz	Ostertag
Adair	Gary	Patterson
Addonizio	Gavin	Perkins
Allen, Ill.	Gordon	Philbin
Allen, La.	Gore	Poulson
Anfuso	Granahan	Powell
Barden	Grant	Radwan
Baring	Green	Redden
Barrett	Greenwood	Riley
Bender	Gwinn	Rivers
Bennett, Mich.	Hall	Robeson
Betts	Edwin Arthur	Rodino
Boggs, Del.	Hard	Rogers, Mass.
Boggs, La.	Hart	Roosevelt
Bonner	Hayes, Ohio	Sabath
Boykin	Hebert	St. George
Breen	Hedrick	Sasser
Brehm	Heffernan	Saylor
Burton	Heller	Scott, Hardie
Busbey	Hess	Scott,
Butler	Hinshaw	Hugh D., Jr.
Byrnes, Wis.	Javits	Sheehan
Canfield	Kean	Simpson, Ill.
Carlyle	Kearns	Sittler
Case	Kelley, Pa.	Smith, Kans.
Celler	Kennedy	Staggers
Chatham	Klein	Stanley
Chudoff	Lantaff	Taber
Clemente	Latham	Tackett
Corbett	McCulloch	Taylor
Davis, Tenn.	McDonough	Teague
Dawson	McGrath	Thomas
DeGraffenried	Mack, Ill.	Towe
Dingell	Mason	Watts
Dollinger	Miller, Md.	Weichel
Dondero	Miller, N. Y.	Welch
Donohue	Morano	Werdel
Donovan	Morgan	Wharton
Doughton	Morris	Wheeler
Durham	Morrison	Whitaker
Ellsworth	Morton	Widnall
Elston	Moulder	Wigglesworth
Engle	Murray, Wis.	Wood, Ga.
Fallon	Norblad	Wood, Idaho
Fine	O'Brien, Mich.	Yorty
Fogarty	O'Konski	
Furcolo	O'Neill	

The SPEAKER. On this roll call 290 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BOW asked and was given permission to address the House for 30 minutes tomorrow, following the legislative program and any special orders heretofore entered.

AMENDING AND EXTENDING THE SUGAR ACT OF 1948

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4521, with Mr. PRESTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the House Committee on Agriculture is presenting this bill, H. R. 4521, which is a bill to amend the Sugar Act of 1948. I would like to say that the report of our committee was unanimous. I do not recall that any single witness appeared before the committee in opposition to the bill, although we had hearings extending over a period of 7 days.

I feel that by reading some excerpts from the report I can give you succinct information concerning the purposes and provisions of the bill which is now before you, and with your permission I would like to read briefly from the report:

GENERAL STATEMENT

The accompanying bill reenacts, with relatively minor changes, the Sugar Act of 1948 which otherwise would terminate on December 31, 1952. The bill extends the act for 4 years, until December 31, 1956. It also amends the Internal Revenue Code by extending the applicability of the excise tax on sugar for 4 years until June 30, 1957. Changes in the Sugar Act are confined to those portions of the law relating to quotas. The major change in quotas is to increase the allocation to Puerto Rico by 170,000 tons annually, and that to the Virgin Islands by 6,000 tons. A quota of 300,000 gallons of liquid sugar is also established for the British West Indies to meet a particular situation in the molasses industry.

The allocation to the various producing areas on the mainland of the United States, and to Hawaii and the Philippine Islands, remains the same as in the existing law. A slight increase is provided in the allocation to foreign countries other than Cuba, which ship sugar into the United States, in order to restore to these countries their prewar ratio of sugar imports. Cuba's percentage share of the import trade in sugar is slightly reduced, but the actual tonnage of sugar which Cuba will ship to the United States is expected to increase, due to the fact that Cuba will receive a fixed percentage quota of an anticipated substantial increase in sugar consumption in the United States.

The provisions of the bill have been worked out in a series of conferences between producer and user groups in the sugar industry, representatives of the various sugar-producing areas, and an interdepartmental committee composed of representatives of the Departments of State, Interior, Commerce, Treasury, Agriculture, and the Tariff Commission. Particular consideration has been given to the matter by the Departments of Agriculture, State, and Interior. In these conferences the interests of the various users and producers were carefully considered by the Government departments concerned and the bill represents a practical and equitable

adjustment of those varying, and to some extent conflicting, interests. Many witnesses, representing both Government and industry, appeared before the committee during the 7 days of hearings on the bill, and unanimously recommended its enactment.

A few amendments were proposed but most of these would have had the effect of introducing new matter into the bill, rather than changing its present terms, and even those who proposed amendments indicated their support of the bill as reported, whether the amendments were included or not. The only substantive amendment actually made to the bill (the one providing the liquid-sugar quota for the British West Indies) is a committee amendment and was not proposed specifically by any witness during the hearings. As far as the committee is aware, there is no opposition anywhere to the enactment of this bill.

NATIONAL POLICY

Sugar is an essential food product, and it has long been the established policy of the United States Government, for defense and strategic reasons, to preserve within the United States the ability to produce at least a portion of this vital food product needed by American consumers. Due to the cheap labor available in tropical countries where sugar grows most abundantly, and to the fact that sugar (either beet or cane) is produced in some quantity in almost every country in the world, it is probable that little, if any, sugar would be grown in the United States if American producers had to compete on an open world market against the cheap production in other countries.

Mr. SHORT. Mr. Chairman, will the gentleman yield at this point?

Mr. COOLEY. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, we all know that we import most of our sugar from Cuba, but the passage of this legislation will not lessen the imports from that country, will it?

Mr. COOLEY. No, Cuba will probably send in more sugar than formerly.

Mr. SHORT. In fact, we will continue, or perhaps even increase our imports.

Mr. COOLEY. We have slightly increased the quotas for the full duty countries and to some slight degree the quota from Cuba has been reduced, but it is only a slight decrease and will be compensated for by the increased amount of sugar that Cuba will be able to send into the United States due to the increased consumption of sugar in the United States.

Mr. SHORT. And by granting increased quotas to both Puerto Rico and the Virgin Islands we will add materially to the economy of those two countries in which we are very much interested and for whom we are more or less responsible.

Mr. COOLEY. That is unquestionably true.

Mr. SHORT. And unless we do help them to help themselves it perhaps would be a drain on the Treasury, more or less, in the form of direct relief.

Mr. COOLEY. The gentleman is correct.

Mr. SHORT. I want to congratulate the chairman of the committee and the members of this committee on reporting out this legislation, because, in my opinion, it will not increase the cost of sugar in the future. Will it?

Mr. COOLEY. No; definitely not.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. JOHNSON. Is it not a fact that what we are doing here today, if we pass this bill, is just continuing a policy that has been in effect for many years and has successfully operated all during that time?

Mr. COOLEY. The gentleman is accurate in his statement.

With reference to the national policy, I should like to read again one paragraph of this report:

Sugar is an essential food product, and it has long been the established policy of the United States Government—for defense and strategic reasons—to preserve within the United States the ability to produce at least a portion of this vital food product needed by American consumers. Due to the cheap labor available in tropical countries where sugar grows most abundantly, and to the fact that sugar (either beet or cane) is produced in some quantity in almost every country in the world, it is probable that little, if any, sugar would be grown in the United States if American producers had to compete on an open world market against the cheap production in other countries.

I call your attention to the chart on page 3 of the report showing how wages in the United States sugar-producing areas compare with those in other countries.

Mr. Chairman, I would just like to observe that this sugar program is a vital part and parcel of our farm program. It has operated so satisfactorily that the average citizen is not aware of the fact that we have a program in existence. Actually there are many Members of Congress who seem not to be aware of the fact that we have had a sugar program in operation for many years. There is one fact that I am certain is not generally known—that this is a part of the farm program which is definitely in the interest of the consumers of America. It is not sponsored by the farmers only or by the producers of sugar beets and sugarcane.

Mr. SHORT. I was going to ask the gentleman that very question. Would the passage of this legislation in any manner or degree injure the growers of sugar beets, particularly in States like Michigan and Colorado or the growers of sugarcane in States like Louisiana?

Mr. COOLEY. In answer to the gentleman's question, I think I would be safe in saying that but for this problem the producers referred to by the gentleman from Missouri would be forced out of business, whereas with this program they are given definite allocations and they are satisfied with the allocations which they will receive under this bill.

Mr. SHORT. I am sure the gentleman from North Carolina and the members of this committee are very eager to do everything in their power to develop our own economy and help our domestic farmers.

Mr. COOLEY. Certainly, we are.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. GOLDEN. How do the quotas permitted under this bill compare with

the amount of sugar that has come into this country from foreign countries in the past?

Mr. COOLEY. I call the gentleman's attention to the report, which gives the quantity of sugar that is imported. On page 4 of the report, about midway of the page, appears the following:

In 1950, under this quota system, domestic producing areas supplied 54.08 percent of the sugar consumed in the United States, as follows: Mainland beet and cane areas, 27.39 percent; Puerto Rico and the Virgin Islands, 12.85 percent; Hawaii, 13.84 percent. The Philippines supplied 5.72 percent; Cuba, 39.46 percent; and all other foreign countries, 0.74 percent.

The changes will result in Puerto Rico being given 170,000 additional tons and the Virgin Islands 6,000 additional tons. The other areas, the beet and cane sugar areas, would remain the same. There will be a slight change in the Cuban quota.

Mr. GOLDEN. The over-all picture, as I understand it, will be that the consuming public will have more sugar coming in under this bill.

Mr. COOLEY. Absolutely. If it were not for this program, it is doubtful, as I pointed out, whether our own producers would be able to stay in business. But for this law, it is highly probable, we would not have an abundance of sugar available to the consumers of this country for the reason that the world market price is substantially above the domestic market price.

Mr. GOLDEN. There is nothing in this bill which would tend to increase the cost to the consumer of sugar?

Mr. COOLEY. No, it would be quite to the contrary. I would like to point out that during the operation of this bill, through all of the emergencies that we have encountered, sugar has been about the cheapest of all foods.

Mr. GOLDEN. Do you think you will be able to maintain that under the operation of this bill?

Mr. COOLEY. Under this bill, yes, sir, I think so.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SHORT. It will aid not only Puerto Rico and the Virgin Islands, but also the people in Hawaii?

Mr. COOLEY. Yes. I think the Delegate from Hawaii and the Resident Commissioner from Puerto Rico were very well pleased with the bill we are presenting.

I think the general public should know the facts about the cost involved in this program. During a recent debate on the floor of the House, and in a recent article which appeared in the Washington Post, only one part of the story was told. They pointed out the tremendous amount of money that had been paid out by the Federal Government to the producers of sugar, when as a matter of fact, they failed to tell that in the over-all operation of this program, the Federal Treasury netted a profit over and above administrative costs of \$230,364,522; and that we have taken that amount from the producers in excess of the amount we have paid back to the producers, and we have enriched the Fed-

eral Treasury to the extent of more than \$230,000,000 or an annual profit of approximately \$16,000,000. We have stabilized the price of sugar. We have protected the continental producers and those who produce in Hawaii and Puerto Rico, and we have provided the consuming public with an abundance of this very vital food product. It is strange to me how the public can be so woefully misled, when by making inquiry the public could be well-informed about all parts of this farm program. Before the House recesses, I hope to present a rather comprehensive statement with regard to the over-all operations of the farm program. All of us know that we have sustained substantial losses on commodities like potatoes, eggs, and wool, but I believe when I collect the information, we can show that we have made \$230,000,000 profit on sugar, and approximately \$225,000,000 on cotton, and several million dollars on tobacco. When we put that all together, we actually believe we will come up in the black, and can show an actual profit in the over-all operation of this program which has meant so much to the producers and consumers of this country.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. D'EWART. The gentleman said that the Government has sustained a loss on the wool program. Is that true? My understanding is that the wool program in itself shows a profit.

Mr. COOLEY. I am not sure I have the figure, but my recollection is that we had sustained a loss of approximately \$90,000,000 at one time. How much of that loss has been recovered, I am not in a position to say.

Mr. D'EWART. All the wool that was accumulated during the last war has since been disposed of, and I believe the Government has made a profit over and above the actual acquisition price.

Mr. COOLEY. I am glad the gentleman has called attention to that because, if that is the case, it improves the picture that I am trying to visualize.

Mr. D'EWART. The stock which is now held by the Government is a small amount, which is being held for experimental purposes. All of the stock which was held in warehouses has been disposed of.

Mr. COOLEY. As I say, in preparing my statement, which I will make available to the Members, I will obtain accurate current information as to each commodity and list it in detail so that the public will know that when we come from the Committee on Agriculture we are not asking for subsidies, we are not asking for hand-outs, we are not asking to be placed at any advantage over any other segment of the economy.

I would like to conclude by saying that this bill comes here free from any semblance of partisan politics. As Democrats and Republicans, we have worked like statesmen on this bill, as we try to do on all other bills. Seldom, if ever, do partisan considerations come into our deliberations.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. WIER. In reading this bill I find what might be termed a sales tax or a subsidy. How do you reconcile your position on the basis of the speech you made against subsidies in the control bill and the advocacy of subsidies in this bill?

Mr. COOLEY. This is an entirely different proposition. The subsidy in the control bill was a consumer subsidy, which unfortunately was charged up against Agriculture. If you will look at the record of consumer subsidies during World War II, you will see that it ran into a substantial amount of money.

Mr. WIER. Well, this is a subsidy against the people.

Mr. COOLEY. No; no. It is not. It is a tax imposed on the producer, and it is paid into the Treasury; and then for compliance with these provisions an amount of money is paid back to the producer. But actually the money comes from the producer in the first place. I know that the gentleman comes from a consuming district, but if we did not have this program, the Lord only knows what your consumers would have been paying for sugar.

Mr. WIER. Then we would have the free-enterprise system in full operation.

Mr. COOLEY. And you would be competing with foreign labor. If you will be kind enough to look at the chart as to the cost of labor in the different producing areas, it is very easy to see that the American producer could not stay in business and compete with foreign labor.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

H. R. 4521 extends the Sugar Act of 1948 for 4 years with some minor changes. All of these changes relate to matters of detail rather than principle. In the main they have been suggested by experience in the administration of the present law or as a result of changed conditions. The most important changes are those relating to quotas.

The allocation to Puerto Rico is increased by 170,000 tons annually and that of the Virgin Islands by 6,000 tons. A new quota of 300,000 gallons of liquid sugar is established for the British West Indies. The other principal change with respect to quotas is contained in the provision which reduces the percentage share of imports from Cuba from 98.64 percent to 96 percent of all imports excepting those from the Philippines, and increases the import quotas for full-duty countries from 1.36 percent to 4 percent of all imports except those from the Philippines. The amount of sugar involved in this change is small, and although the Cuban percentage is slightly reduced, this in all probability does not mean any reduction in the amount of sugar imported from Cuba since all increases in the consumption of sugar in this country will come from the imports from Cuba and the full-duty countries.

I was a Member of Congress and a member of the Committee on Agricul-

ture at the time of the enactment of the Jones-Costigan Sugar Act of 1934. I well recall the chaotic condition which prevailed in the sugar industry in all of its phases both in this country and in Cuba prior to that time. The enactment of the Jones-Costigan Act was of tremendous benefit to the producers, refiners, and distributors of sugar in this country and in Cuba as well as the consumers of sugar in this country. The act was a compromise between the conflicting interests represented in the industry. It was based upon the principle of give and take between highly competitive groups, all of whom were in severe distress at the time.

Since 1934 the essential principles of the Jones-Costigan Act with some changes in details have been reenacted in the Sugar Act of 1937 which was extended through various enactments until December 31, 1947, and by the Sugar Act of 1948 which became effective on January 1 of that year.

This sugar legislation has been extremely successful. It has resulted in stabilizing the industry. It has enabled it to recover from a condition of prostration in 1934 to a condition of economic soundness and prosperity at the present time. These benefits to producers and distributors have not been at the expense of consumers. In fact consumers have shared in the benefits of the act fully as much as have producers.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MARTIN of Iowa. I wish to state briefly my own observation while in Puerto Rico and the Virgin Islands nearly 2 years ago on a study there by the Committee on Ways and Means, a study of the social-security program as applied to Puerto Rico and the Virgin Islands. Our observation there at that time was that much of the economy of Puerto Rico and the Virgin Islands depends on the quantity of their sugar marketed in the United States, of course; and their greatest need was an increase in their sugar quota. As I recall our observation at that time the increase desired and needed by them was very much in accord with the action you have taken in this proposed legislation in increasing the quota allocated to Puerto Rico by 170,000 tons annually and in increasing the quota allocated to the Virgin Islands by 6,000 tons annually. I want to commend the committee very highly on taking the action you have taken in this bill with reference to Puerto Rico and the Virgin Islands.

Mr. HOPE. I thank the gentleman, and I believe that the increase which has been granted to Puerto Rico will greatly assist that area in stabilizing its economy and will afford an outlet for a substantial increase in sugar production over what it has been in the past.

Mr. MARTIN of Iowa. I agree with the gentleman absolutely.

Mr. HOPE. I am very happy that we were able to make that increase, and it can be done without taking anything from any other area because there has been a consistent increase in consumption due to population increases.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WIER. I wish to ask a question in connection with the matter raised by the gentleman from Iowa. About 2 weeks ago the Committee on Education and Labor had before it a bill to increase the school-lunch program, or to permit them in Alaska, Puerto Rico, and the Virgin Islands in view of the fact that Puerto Rico and the Virgin Islands are part of this country and entitled to some recognition. I remember that the delegates from those three areas appeared before our committee on behalf of their school children, their schools, and their economy in the matter of providing an adequate free school-lunch program. I remember the Delegate from Puerto Rico—I see him sitting here—raised the question that the economy of Puerto Rico was dependent a good deal upon the very subject that is before the House today. They have considerable room for expansion of their sugar production and refining. On the basis of that being the principal industry of the island on which they are dependent to a great degree for funds to operate their schools, and so forth, if I understood the question of the gentleman from Iowa and the gentleman's answer, you have increased the amount of the sugar quota for Puerto Rico. Is that correct?

Mr. HOPE. Yes. The quota of Puerto Rico was increased by 170,000 tons and while that perhaps is not all that Puerto Rico would have liked to have received, I presume no one area has gotten everything it desired. It is a substantial increase and will help a very great deal in stabilizing the economy on that area.

In his statement at the hearings before the Committee on Agriculture, Lawrence Myers, the Director of the Sugar Branch of the Production and Marketing Administration of the Department of Agriculture summarized the results which have been brought about by the 1934 Sugar Act and subsequent legislation. I call particular attention to the following paragraphs taken from Mr. Myers' statement before the committee on June 27 and found on pages 6 and 7 of the printed hearings:

The Jones-Costigan Sugar Act of 1934 and the Sugar Act of 1937 constituted the major means by which our domestic sugar industries and the sugar industry of Cuba were brought from severe economic depression to full recovery. During the war the payment provisions under the Sugar Act helped to maintain production in the face of rising costs and controlled sugar prices. Since the war, the Sugar Act of 1948 has largely stabilized domestic sugar prices. In 1948 and 1949 it helped to keep our domestic prices from falling unduly. During the past year the Sugar Act has been given the new role of keeping domestic prices below the world level. In recent weeks while world raw-sugar prices were shooting upward to over 8 cents per pound, *f. a. s.* Cuba, the rise in domestic prices was moderate.

Some comparisons between 1933, the last year before the sugar legislation was put into effect, and 1950 will demonstrate a few of the benefits that have been derived from our sugar legislation.

The average retail price of refined sugar rose from 5.3 cents per pound in 1933 to 9.75 cents per pound in 1950, a rise of 84 percent. The duty-paid price of raw sugar in New York also rose by 84 percent. The price of all foods, however, rose by 143 percent. Therefore, the rise in prices of sugar to consumers has been only about 60 percent as much as the rise in prices of foods as a whole.

In contrast with the rise of 84 percent in the price of sugar, returns to domestic growers per ton of sugar beets and sugarcane increased by around 170 percent. In other words, the increase in grower returns per unit was twice as large as the increase in the price to consumers.

Since domestic producers have also shared in this country's increased consumption, total returns of sugar-beet and sugarcane growers have risen from approximately \$133,000,000 in 1933 to \$432,000,000 in 1950, a rise of 225 percent.

Average wage rates for field labor in the domestic sugar-beet and sugarcane areas in 1950 were 393 percent of the 1934 level.

The most striking effects of our sugar legislation concern Cuba. In 1933, Cuban producers received 1.1 cents per pound, *f. a. s.*, for sugar shipped to the United States; in 1950, they received 5.1 cents per pound, an increase of 360 percent. Imports from Cuba rose from 1,552,000 tons in 1933 to 3,264,000 tons in 1950. The income Cuba received from sugar shipped to the United States in 1950 was nine times as large as it was in 1933. Incidentally, the value of United States exports to Cuba in 1950 was more than 18 times the value of such exports in 1933.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Montana.

Mr. D'EWART. I think the largest percentage was to the cane growers, not to the beet growers. I believe the figure for beet growers is 84 percent.

Mr. HOPE. Well, I have not broken down the figures, but there was a substantial increase as far as returns are concerned to both groups during that period of time. Also, of course, the domestic growers have had a share in the increased consumption.

To those who are interested I recommend the reading of Mr. Myers' complete testimony before the committee which will be found in three parts on pages 3, 13 and 269 of the printed hearings.

May I say in passing that I was personally very much impressed with Mr. Myers' statement and with the manner in which he has administered the Sugar Act since taking over the position of Director of the Sugar Branch. I have heard many other members of the committee make similar comments with respect to Mr. Myers and his work.

In the hearings before the committee a large number of witnesses were heard, none of whom were in disagreement with the fundamental provisions of this bill. These witnesses represented producers, both domestic and foreign, importers, refiners, distributors, labor organizations, and consumers, as well as representatives of Government agencies and Members of Congress. The act has the full support of the Department of Agriculture, the Department of the Interior, and the Department of State, all of which

by reason of the wide ramifications of the sugar industry at home and abroad are seriously concerned with this legislation. Various witnesses made suggestions covering minor amendments, but none of them, as my recollection goes, had anything but praise for the purpose and general principles involved in the legislation.

The bill as introduced was the result of conferences between all segments of the industry and the Government departments concerned. It probably does not represent a perfect bill in the eyes of many of those who are affected by it, but in my opinion it constitutes a compromise which is fair to the sugar industry in all of its aspects and to sugar consumers.

I think that it is proper at this time to say that I know of no legislation on the statute books which goes any further than does the present Sugar Act or the pending bill in the protection of the consumer. Nor do I know of any legislation which goes further than the 1948 act and the pending bill in the protection of the workers engaged in the industry. I call particular attention to the provisions prohibiting the employment of child labor and those that require that growers must pay laborers wages at least equal to those determined to be fair by the Secretary of Agriculture.

I do not say that this bill is a perfect piece of legislation, but I do say it goes as far as any piece of legislation can go in dealing with the many competitive and conflicting interests, both national and international, involved in the production and distribution of sugar, and at the same time it fully protects the interests of consumers. There are many interested groups who would like to have slight changes in the bill which would be a direct benefit to them. If any element of the industry were writing the bill the details would undoubtedly be a little different, but in the over-all as a reconciliation of many conflicting interests, the bill is a good piece of legislation and should be enacted.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. JOHNSON. This is the best example that I know of of cooperation between governments and industry to stabilize their business. My observations are based on what I know about my own district, which has four sugar refineries, and many, many beet-sugar growers. Since 1934 they have had complete stability, not only in the processing plants, but also on the ranches that raise the beets.

Mr. HOPE. I agree thoroughly with what the gentleman has said. I do not know how well a plan like this would work in any other industry. The sugar industry is peculiar in many ways, but in this particular instance the cooperation between Government and business and between the different elements in the industry has, in my opinion, constituted an example of business statesmanship which perhaps has had no equal anywhere.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, I am not going to take much of the Committee's time, as the bill has been thoroughly explained by the distinguished Chairman of the Committee, the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Kansas [Mr. HOPE]. But I do want to express my appreciation to the Committee on Agriculture for the consideration that has been given to this problem and the expeditious manner in which it has been presented to the House.

Mr. Chairman, the bill which we are considering will continue until the end of 1956 the sugar quota plan which was adopted in 1934. This plan is a substitute for relying upon a tariff on sugar to protect our domestic sugar industry.

The Jones-Costigan Sugar Act was passed in 1934 when it had become clearly evident that our tariff on sugar was not accomplishing the purposes for which it was intended. Our domestic sugar-producing areas were in a severely depressed condition and conditions in Cuba were chaotic, threatening to blow up the economic and political organization of that country.

The Jones-Costigan Sugar Act established a system of sugar quotas to regulate the quantity of sugar which could come into our market from each domestic and foreign area. It provided that the tariff rate on sugar would be reduced by the amount of an excise tax to be put into effect. At the time the tariff rate on Cuban sugar was 2 cents a pound, the excise tax was set at half a cent a pound, and the tariff reduced to one and a half cents. Since that time, through successive trade agreement negotiations, the rate of the import tariff on sugar has been greatly reduced. It now is only a half a cent a pound.

With the tariff at this very low rate, our domestic sugar industry would be virtually without protection if the sugar quota system were not continued. Moreover, our sugar-beet and sugarcane farmers cannot make plans for their future farming operations unless they know what the Government is going to do to protect their industry.

This point is well illustrated by the fact that a sugar-beet farmer who plants a crop of sugar beets early in the spring of 1952 will be dependent for his returns from that crop upon sugar prices up to the late fall of 1953.

Our present sugar program has been eminently successful. Sugarcane and sugar-beet farmers have, on the whole, received satisfactory returns for their crops, the position of sugar factories has been stabilized, and at the same time consumers have been provided an adequate supply of sugar at very reasonable prices. In fact, sugar has continued to be the housewife's cheapest food.

One outstanding fact about this part of our farm support program—the Sugar

Act—is that it not only has never cost the Government a single penny but, on the contrary, the sugar excise tax has yielded about \$16,000,000, on the average, each year since the program began. This has amounted to a total of about \$230,000,000 in net revenue to the Government.

The committee hearings on this bill, at which every interested person was urged to express his views, showed that none was opposed to the enactment of this bill. Accordingly I urge all Members to support it.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado, [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I, too, will not impose on the committee's time, since there is no opposition to the bill, but I would like to mention a few things about the sugar business itself.

Mr. Chairman, sugar is one of our most important foods. On the average, it supplies about 18 percent of our total food-energy needs. We in the United States consume nearly one-fourth of all the commercial sugar produced in the world, far more than is consumed in any other country. We produce in our several domestic areas somewhat more than one-half of the sugar we consume. Nevertheless, we are the largest importer of sugar in the world.

Because of these facts, our sugar-program legislation is of great importance. It is important to all of us as consumers and to many thousand farmers and workers in sugar factories and other branches of the industry. It also is very important in our foreign-trade relations. Thus sugar legislation must give full consideration to all of these interests, balancing any conflicting aspects, and providing a sugar policy and program which will best serve the consumers as well as the producers.

I felt this objective had been achieved in the sugar-quota legislation which was first enacted as the Jones-Costigan Act in 1934. This was replaced by the Sugar Act of 1937 which in turn was replaced by the Sugar Act of 1948. This act will expire on December 31, 1952. The bill which we are considering will extend this law for an additional 4 years with certain changes in some of its provisions.

Extension of the Sugar Act at this time, and for a period of 4 years, will be of great help to farmers in planning their crop rotations and in general farm practices. It will also give assurance of stable conditions for consumers and industrial users of sugar. This legislation assures them that there will be an adequate supply of sugar at fair and reasonable prices.

The chief features of the present Sugar Act and of those which preceded it are, briefly:

First. A system of annual quotas governing the quantity of sugar to be supplied to our market by each domestic and foreign area.

Second. Limitations on the quantities of sugar which can be brought into the continental United States in refined form.

Third. An excise tax of one-half of a cent a pound, raw value, on all sugar.

Fourth. Provision for conditional payments to domestic producers of sugar beets and sugar cane. In connection with this provision it should be borne in mind that receipts from the tax on sugar have exceeded these payments by an average of \$16,000,000 a year—a total of \$230,000,000 since 1934.

Fifth. Provisions for the establishment of minimum wage rates for workers on sugar beet and sugar cane farms and for minimum prices for sugar beets and sugar cane.

The bill we are considering will make relatively minor amendments in the present law, and extend it for 4 years. The chief changes will be to increase the quota of Puerto Rico by 170,000 tons, that of the Virgin Islands by 6,000 tons, and the quotas for the so-called full-duty countries, that is, foreign countries other than Cuba and the Philippines, by a small amount. No change will be made in the quotas of the beet-sugar area, the mainland cane-sugar area, or Hawaii. Likewise, no change will be made in the tax and payment provisions nor in those relating to the determination of sugar consumption requirements. To correct a technical defect in the act, a quota will be provided for liquid sugar from the British West Indies.

In the committee report which is before you, there are some graphic illustrations of the benefits which this sugar legislation has helped to promote. The first chart, which is on page 3, shows that the farm workers in most of our domestic sugar areas receive far higher wages than do such workers in most foreign countries. At the same time, as the chart on page 8 shows, the price of sugar to the consumer is cheaper in the United States than in most foreign countries. On page 11 is a chart which shows that sugar in this country has remained lower over the years in relation to price than any other food. This chart also shows our average per capita consumption of sugar has steadily increased. It is higher than in most foreign countries—about three times the world average. Thus, it is clearly evident that our sugar program has proven to be of great benefit both to producers and to consumers.

As the committee states in its report, this bill was approved unanimously by the committee.

To continue, let us discuss for a moment one of the questions that always arises when we are considering the Sugar Act, and that is, our import and export relations with Cuba. In 1930 the United States Tariff Act set the rates of 2 cents per pound in raw sugar from Cuba and 2½ cents per pound on raw sugar from foreign countries. These rates were intended to give adequate production to our domestic-sugar industry as well as guard it against depressions. However, our sugar industry went further and deeper into depression and large inventories of sugar accumulated. Beet and sugarcane growers were in financial difficulties. Wages for workers in both cane and beet fields were low and prosperity seemed a long way off. By 1933 it was evident that the tariff was no longer

adequate to protect our domestic-sugar industry and further it was evident that the financial position in our agricultural sugar-producing areas was affecting both our export and import trade.

In 1934 the Congress developed and passed the Jones-Costigan Sugar Act. The bill we are considering contains the general features and operates much the same way as the original Jones-Costigan sugar legislation.

When the Sugar Act of 1948 was passed by this Congress our domestic sugar-producing areas, beet and cane, were placed under fixed quotas as was also the Philippines, and should there be deficits in our domestic areas, 98.64 percent of our necessary sugar requirements would all go to Cuba and 1.36 percent to the full-duty countries. The full-duty countries you will find listed on page 103 of the hearings. Table No. 5 gives you the basis on which the full-duty countries basic quota was prorated under the 1936 regulation and table 6 gives the quotas which would result for each of the principal full-duty countries as effected by the recommended changes of the 1948 Sugar Act.

Cuba imported into the United States in 1933 1,550,000 tons of sugar and under the 1948 act it had increased to 3,150,000 tons. Its quota duty under the act now in operation is 2,640,000 tons. Cuba has increased its sugar production, as you will note by table 4, page 103, of the hearings, from 3,379,000 short tons of raw sugar in 1937 to 6,384,000 in 1951. Certainly this does not indicate that Cuba is having any trouble in producing sugar and disposing of it. I think after examining these tables and figures everyone must agree that we have treated Cuba fairly well and the change we are suggesting—dropping Cuba from 98.64 down to 96 percent of the possible deficits in quotas from full-duty countries is not of sufficient importance to cause any disturbance in our trade relations with Cuba.

Using a hypothetical case, under the present act should the world deficit on continental and mainland areas, including Hawaii, Puerto Rico, and the Virgin Islands amount to 750,000 tons, Cuba would receive 98.64 percent of the deficit, amounting to 739,800 tons. While under the new proposal of this act Cuba would receive 96 percent of the 750,000-ton deficit or 720,000 tons. The difference being only 19,800 tons.

On pages 15 to 18 of the hearings, in the testimony given by Lawrence Meyers, Director, Sugar Branch, PMA, United States Department of Agriculture, you will find a complete breakdown of the changes in the Sugar Act offered by this legislation.

Pages 70 and 71 contain a very interesting discussion by Mr. Meyers as to the rise of the world sugar production in the past 100 years. You will note that the world production 100 years ago was about 3,000,000 tons—today it is over 40,000,000. Cane-sugar production rose during that time from 2,500,000 tons to 25,000,000, while beet-sugar production rose from zero to 15,000,000 tons.

Quote page 71:

World sugar production has been increased not only by natural growth, but by subsidies

in many countries, particularly the beet countries. Some countries even have direct and indirect export subsidies which force supplies into world markets at depressed prices. We have, of course, also the very, very low wage rates that prevail in many of the tropical areas. All these forces had a tremendous impact on world prices and brought the world sugar economy to its knees before the war, even before the depression of the 1930's.

In a table, published by a Senate committee on the utilization of farm crops, is found an interesting table showing the change in food habits since 1909. I enclose as part of my remarks a news release I made on this table. Sugar and sirups—exclusive of use in condensed milk, processed fruits and vegetables—rose from 84 pounds per capita in 1909 to as high as 124 pounds in 1930, dropping back to 106 pounds in 1949:

REPORT FROM WASHINGTON

(By Congressman WILLIAM S. HILL, Second District, Colorado, July 23, 1951)

CHANGING FOOD CONSUMPTION ALTERS MARKET DEMANDS

The Bureau of Agricultural Economics recently published statistics showing important changes in the pattern of consumer food consumption. Foods showing the greatest decrease in consumption are so-called staple products. The per capita consumption of cereal products has decreased from 296 pounds in 1909 to 173 in 1949. Potato consumption was 204 pounds per person in 1909, but in 1949, 112. An "apple a day" seems to be a thing of the past, for while we were consuming 55.5 pounds of apples per person in 1909, we now use only 30.8 pounds.

Dairy products (excluding butter) increased in consumption from 388 pounds per person in 1909 to 429 pounds in 1949; citrus fruits and tomatoes from 44 pounds in 1909 to 98 pounds per person in 1949; leafy green and yellow vegetables (including fresh) from 76 pounds per person in 1909 to 111 pounds in 1949; sugar from 84 pounds per person in 1909 to 106 pounds in 1949; coffee, tea, and cocoa from 10 pounds per person in 1909 to 19 pounds in 1949.

In spite of all the changes as indicated the retail weight equivalent of food consumed per person remained practically static. In 1909 we ate 1,576 pounds per person, and in 1949 it was 1,573 pounds. No doubt the decline in the use of human muscle power and the increase of mechanical devices are reflected in the consumption of the various kinds of food.

The preparation of milk for retail consumption has been one of the outstanding developments of the past 25 years. In 1945 milk consumption reached an all-time high of 337 pounds per person. In 1909 we consumed 274 pounds per person. Evaporated milk was consumed at the rate of 1.4 pounds in 1909, and increased to 17.7 pounds per person in 1949.

These changes in consumption habits are having a profound impact on farm production. We now have specialization in agriculture and the production of specific foods by geographic areas. Also, modern transportation and refrigeration of fresh fruits and vegetables throughout the year supply consuming areas effectively.

Home refrigeration and public frozen food lockers provide a handy supply of fresh meat, fruit, and vegetables. Modern improvements in the processing and packaging of food are changing the food habits of our people.

That is important, too. We change our food habits, and when you change your food habits you change your agricultural production habits, agricultural activities, agricultural products, agricul-

tural sales. So we have been doing that in a remarkable degree.

As part of my remarks I wish to insert a part of this table. Sugar and sirups, exclusive of sugar used in condensed milk or processed fruits and vegetables, rose from 84 pounds per capita in 1909 to as high as 124 pounds in 1930. It dropped back to 106 pounds in 1949.

I hope the passage of this bill will be unanimous.

I promised to yield to the distinguished gentleman from Montana, and I shall be glad to yield now.

Mr. D'EWART. How does the Secretary arrive at the quota for domestic production and for the free-duty countries?

Mr. HILL. The law provides that by a certain date the Secretary of Agriculture, in connection with his advisers, is to meet and go over the whole situation, taking into consideration certain elements as then found, as well as the increase in population, and to determine what the amount of consumption of the entire United States will be the next year.

Mr. D'EWART. How does he determine that consumption in the United States?

Mr. HILL. The only thing he can go by, and I believe the law provides that he must take into consideration the figures that he has in the past as to what the consumption has been, and from that he arrives at what the consumption will be in the United States the next year. I do not think he has missed it on very many occasions.

Mr. D'EWART. How does he finally get to the price of sugar?

Mr. HILL. That is the important question. I might say, as the gentleman from Kansas [Mr. Hope] mentioned a moment ago, the way the sugar program has been handled it is not a subsidy program, because he must come to these two conclusions which the gentleman has mentioned: First, he must determine what the consumption will be in the United States. Then, after that, he must take into consideration the provision of the old Costigan-Jones Act, which was section 201, and read like this:

October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer-purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as

indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. MILLER of Nebraska. Is there any increased quota in this bill for the United States?

Mr. HILL. The domestic quotas for the United States, both for beet and cane sugar, are not changed or molested.

Mr. MILLER of Nebraska. We have some new irrigated acreage in my district. Some GI's would like to grow sugar beets. How do they get a quota to raise sugar beets in this new area?

Mr. HILL. Strange as it may seem, in 1951—and that should be late enough—the acreage planted to sugar beets in 1951 is 26 percent below the usual acreage of sugar beets.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I desire to compliment and commend the Committee on Agriculture and its distinguished chairman for bringing in a bill that the industry seems to be agreed upon. I am particularly interested in this legislation for the reason that in my district we grow around 30,000 acres of sugarcane and produce around 110,000 tons of sugar. Now, that is a lot of sweetening. We are very pleased with the action of the committee in reporting out this bill.

If the Sugar Act were to expire without being replaced with an effective substitute, we would be forced to return to a policy of tariff protection despite its recognized inability to protect consumers, and its demonstrated inadequacies for the protection of sugar producers. The proposed act is a result of years of study and experience. Its ability to protect consumers as well as producers has been demonstrated, and it has been a most effective instrument in guaranteeing to farmers and laborers in the field the same benefits afforded industry.

The legislation embodied in this act, in my opinion, constitutes the most desirable method that has yet been developed for dealing with our domestic sugar problems. Comparisons between 1933, the year before our sugar legislation was first adopted, and 1950, will demonstrate a few of the benefits that have been derived from sugar legislation. The average retail price of refined sugar rose from 5.34 cents per pound in 1933 to 9.75 cents per pound in 1950, a rise of 84 percent. The price of all foods, however, rose by 143 percent. The rise in the price of sugar to consumers has only been about 60 percent as much as the rise in prices of foods as a whole. In contrast with the rise of 84 percent in the price of sugar, returns to domestic growers per ton of sugar beets and sugarcane increased around 170 percent. In other words, the increase in grower returns per unit was

twice as large as the increase in the price to consumers. Total returns of sugar beet and sugarcane growers have risen from approximately \$133,000,000 in 1933 to \$432,000,000 in 1950, a rise of 225 percent. Average wage returns for agricultural labor in domestic sugar beet and sugarcane areas in 1950 were 393 percent of the 1934 level.

An excise tax of 50 cents per hundred pounds and an import compensating tax at the same rate are applied to sugar in order to operate the program and equalize the cost of production in domestic and foreign areas. From the funds thus obtained, payments are made to domestic producers at a basic rate of 80 cents per hundred pounds of sugar, raw value, for the first 350 short tons of sugar produced on a farm and reduced progressively thereafter to a minimum of 30 cents per hundred pounds. Payment is made only to farmers who have complied with the provisions of the act.

Financially, this sugar program is unique—it not only pays for itself but it provides a net average annual profit to the Government of approximately \$16,000,000.

The passage of this proposed legislation will insure the people of Florida greater prosperity for the next 4 years. The sugar industry of my State employs directly and indirectly approximately 12,000 persons with an annual payroll in excess of \$3,000,000. The value of the crop at present-day prices is approximately \$20,000,000 annually.

Such a program to me seems well worth while. I urge its adoption.

Mr. COOLEY. Mr. Chairman, I yield the gentleman from Louisiana [Mr. WILLIS] such time as he may desire.

(Mr. WILLIS asked and was given permission to revise and extend his remarks.)

Mr. WILLIS. Mr. Chairman, the Sugar Act of 1943 will expire on December 31, 1952. It has been decided, however, that the act should be extended by legislation adopted during the present session of Congress. The act is being extended now in order to enable the sugar producers in the domestic and foreign areas who supply our consumption in the United States to plan their production programs with the prior knowledge of an assured market during 1953 under the safeguards of sugar legislation.

Accordingly, the Sugar Act is being extended for 4 years; that is, from December 31, 1952, through December 31, 1956.

Sugar is such an essential food product that it has long been the established national policy of our Government to preserve within the United States the ability to produce an assured portion of this commodity. Due to the cheap labor available in tropical countries where sugar grows most abundantly, and to the fact that sugar is produced in at least some quantity in almost every country in the world, it can be easily understood, I think, that only a small portion of our requirements would be grown here if American producers had to compete on an open world market against the cheap production in other countries.

The history of our efforts to effectuate this national policy of preserving the production in the United States of a fair portion of our requirements goes back almost to the first days of our Republic. For many years tariff barriers were maintained against importation of sugar from other countries. The use of the tariff device as a means of assuring a fair portion of the market to local producers, however, had disadvantages which frequently overbalanced the expected benefits to our growers at home. Experience demonstrated that at times high tariffs had the effect of arbitrarily increasing the price of sugar to consumers in the United States; and during other periods when sugar was most needed such barriers adversely affected the normal flow of adequate supply from foreign sources. At the same time, the price that the farmer and the sugar mill received was guided solely by the fluctuation of the world market in sugar. After struggling for more than a century with the tariff system; sometimes too high, sometimes too low, depending upon the administration in power and world conditions beyond our control, a quota system was written into law in the first Sugar Act of 1934, later revised and amended in the Sugar Acts of 1937 and 1943. Under the quota system, devised by the Sugar Acts, the Secretary of Agriculture is required in December of each year, based on available statistics and past performances, to estimate the quantity of sugar that will be consumed during the succeeding year in Continental United States. Then, with this estimate as a starting point, the Sugar Act provides a specific formula whereby the sugar producing areas are respectively given a quota or a fair share of the quantity of the sugar they can produce and supply to meet our requirements. The act provides for two types of quotas, namely: fixed quotas and variable quotas. Fixed quotas are allocated to the mainland beet area and the mainland cane area; and to Hawaii, Puerto Rico, the Virgin Islands, and the Republic of the Philippines. For instance, the quota of the mainland beet area is fixed by law at 1,300,000 tons, and the mainland cane quota is fixed by law at 500,000 tons of sugar per year. In other words, we get the first bite at the cherry, or the right to produce each year a fixed and guaranteed portion of our domestic requirements. The Sugar Act then provides that all United States requirements over and above fixed quotas shall be supplied by Cuba and full duty countries. Since the Cuban and full duty country quotas make up the surplus of our requirements after the fixed quotas are taken care of, such quotas vary from year to year and hence are called variable quotas. Because of our pleasant relationship with Cuba, however, the act guarantees that Cuba shall supply 96 percent of our supply over and above fixed quotas, and the other 4 percent is distributed to full-duty countries.

As I have explained, our consumption estimate is made in December of each year and based on it, the domestic and foreign producing areas are given quotas

or shares of our consumption for the next succeeding year. As might be expected, it sometimes happens that certain areas find themselves unable to deliver their quotas. This is particularly true of the Philippines. So-called deficits thus arise and these deficits must be made up and reallocated to other producing areas. Again, Cuba is made the greatest beneficiary of these deficits. For example, the new legislation guarantees to Cuba the right to make up 95 percent of any Philippine deficit, and the other 5 percent of any possible deficits is distributed to full-duty countries. Because of these obvious advantages set forth in the Sugar Act, Cuba remains our greatest source of foreign supply of sugar. Thus, in 1950, Cuba supplied 39.43 percent of the sugar consumed in the United States.

Finally, the Sugar Act as extended continues in effect the excise tax of 50 cents per hundred pounds on the refining of sugar and the import tax of 50 cents per hundred pounds on sugar coming in from Cuba and other areas. Nation-wide, these excise and import taxes of \$1 per hundred pounds have produced an average of a little over \$76,000,000 per year. Part of the funds thus obtained is used to pay bonuses to farmers who comply with their marketing quotas and the balance goes into the Treasury of the United States. Payments to farmers throughout the United States and expenses of administration have averaged about \$61,000,000 per year, leaving a balance of almost \$16,000,000 which goes into the Treasury of the United States. In other words, the sugarcane program as designed in the Sugar Act has resulted in a net profit of about \$16,000,000 per year to our Government.

Now, while the Sugar Act is being extended for 4 years, it is well to reflect upon and realize what the sugar industry means to Louisiana and what the sugar legislation means to the industry in my State. This is doubly important to the Third Congressional District of Louisiana, which I have the honor to represent in the Congress of the United States, because my district is generally regarded as the sugar bowl of the United States so far as cane sugar is concerned.

The sugar industry of Louisiana is composed of the following: 55 raw-sugar mills, 4 sugar refineries, 8,000 sugarcane growers.

Last year's crop brought to Louisiana in excess of \$70,000,000, and of that amount, approximately \$50,000,000 was distributed at the farm level. The industry provides direct employment on a year-round basis for more than 30,000 persons, and during the harvest season, employment for an additional 12,000 persons. Indirect employment on a very conservative basis is afforded to approximately four persons for everyone directly employed, and on that basis, would provide direct and indirect employment for approximately 166,000. Included in this indirect employment are transportation employees, steamship, barge, truck, railway, longshoremen, employees in brokerage firms, and the many hundreds of firms which sup-

ply the industry with essential items from insecticides and fertilizers to high-pressure steam boilers and harvesting and cultivating equipment.

The proposed bill would reenact with relatively minor changes the Sugar Act of 1948 which otherwise would terminate December 31, 1952. The allocation to the various producing areas on the mainland of the United States and to Hawaii remains the same as in the existing law. The major change in quotas is an increase in the allocation to Puerto Rico by 170,000 tons annually and to the Virgin Islands by 6,000 tons annually. It is my understanding that both of these areas badly need this quota increase in order to maintain present-day economy and in some measure upgrade the standard of living in those areas.

The sugar industry of Louisiana is in complete accord with this proposed increase. The provisions of the bill were worked out in a series of conferences between producer and user groups in the sugar industry, and an interdepartmental committee composed of representatives of Departments of State, Interior, Commerce, Treasury, and Agriculture and the Tariff Commission. Many witnesses representing both Government and industry appeared before the committee during the several days' hearings on the bill which has been unanimously recommended by the committee for enactment.

Financially, I want to repeat, the sugar program is the only Government agricultural program which pays a dividend. From 1934 through the end of the fiscal year 1950, taxes collected as a part of the sugar program amounted to \$98,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program have totaled \$75,387,894, leaving an excess of taxes over expenditures, representing a net profit from the operations of the program, of \$230,364,522. Putting it on an annual basis, the average taxes collected are a little over \$76,000,000. Expenses, including administration and payments to growers, average about \$61,000,000, leaving a net annual profit of approximately \$16,000,000.

Mr. Chairman, in behalf of the consumers and producers of sugar in the State of Louisiana, I unhesitatingly recommend adoption of this proposed legislation which will bring to Louisiana for the next 4 years approximately \$70,000,000 annually and to the Treasurer of the United States approximately \$16,000,000 annually. Any legislation which puts dollars into private pockets and at the same time puts dollars into the Public Treasury is certainly worthy of passage by this body.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, I wish to join my colleague the gentleman from Louisiana [Mr. WILLIS], in thanking the chairman and members of the Committee on Agriculture of the House and Mr. Meyers, the head of the Sugar Branch of the Department of Agriculture for the consideration they have given this legis-

lation. There is no opposition to the bill that I know of, and therefore, since the situation and provisions of the bill have been fully discussed, and because it is only a renewal of existing legislation, with minor amendments, I do not feel it is proper to take any time to discuss the legislation further, as I feel that the House will pass the bill unanimously.

Mr. Chairman, I would like to add however, that legislation in 1934 and this legislation since that time has saved a most important industry, not only in Louisiana, but in the other sugar-producing States of the mainland, as well as in our island possessions and other sugar-producing countries.

As an example, I well remember in 1933-34 when the sugar industry was about to be abandoned in Louisiana, the Delgado sugar plantation, near Jeanerette, La., with 3,300 acres of the finest sugar-producing land in Louisiana, together with a large sugar refinery worth nearly a half million dollars could have been purchased for \$75,000. I advised a relative of mine who was wealthy to buy this magnificent plantation with the refinery for the amount mentioned; however, he told me the sugar industry would never come back, and he did not take advantage of the opportunity.

Mr. Chairman, while it is true that some improvements have been made to the refinery, I am sure that the plantation and refinery could not be purchased today for at least \$2,000,000. That situation was true in all the sugar-producing States at that time, and I know that to be a fact as I was in the fire-insurance business at that time, and it was impossible to obtain one dollar of insurance on any sugar refinery anywhere. The insurance companies would not insure a sugar refinery for any amount.

Mr. Chairman, the extension of this legislation will continue to stabilize and protect the sugar industry throughout the world, and will also guarantee the consumer against any excessive price for a commodity that is a necessity to every household and many of our industries who are large users of sugar.

(Mr. LARCADE asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire, to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I am always glad to be able to support legislation which enables different segments of an industry to work together in harmony and mutual gain. I wish to congratulate the Committee on Agriculture for the careful work and thinking which has gone into this bill. I am also pleased to note that this program, in addition to securing a plentiful supply of sugar at reasonable and stable prices, operates at a gain for the Treasury or to the people at large.

Sugar is primarily a food or a preserving agent and is no longer considered to be a luxury, as thousands of housewives will testify by gleaming rows of home canned food. The extension and changes in this bill are but the continuance of an equitable system for the control of sugar production and con-

sumption which began back in 1934 with the Jones-Costigan Act. The major premise of this legislation, a quota system with an excise equalizer in terms of production costs as between domestic and foreign producers, has stood since that time. Some modifications were necessary to meet the exigencies of the war, but we have been able to avoid the great surge in price which occurred in 1920 by smoothing out the production in various areas damaged by the war or areas called upon for great increases to meet increased demand. This bill re-establishes the quotas in force prior to the disruption of the war, with some gain to Puerto Rico and the Barbados Islands and a negligible cut for Cuba which will probably be wiped out by the increase in total consumption. It retains the percentage allocated to domestic producers, including our insular areas, so that the historic industry may be maintained. It also continues the regulations concerning wages, the employment of minors, and working conditions generally. This program is a fine example of producer, industry, and government working for the common good. I heartily recommend the support of this bill.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I am very pleased to know that in the renewal of this sugar legislation consideration has been given to the enlargement of the quota from Puerto Rico. In the hearings of the subcommittee of the Committee on Ways and Means in this island 2 years ago, we were very much impressed with the fact that although sugarcane is the principal crop of the island, under the restriction of the Sugar Act at that time; they were unable to plant to advantage a large proportion of their fertile soil in that crop, and although they had made many attempts to find other crops to grow they had not been successful in finding a profitable crop. Puerto Rico, as you know, is a very large island, and has perhaps the greatest density of population to be found anywhere in the world. I am delighted to know that the committee, under the renewal, has given the island some 170,000 additional tons in their quota. I commend the committee for it because I think it is certainly the proper thing to do. We sometimes forget that Puerto Rico is a part of our country, and that practically every person in the island now is a native-born American. I hope the committee will seriously consider the proposition of permitting a larger quantity of refined sugar to be shipped from Puerto Rico to the mainland. Of course, at the time the original Sugar Act was passed in 1934, they had very few refineries, and there have been no further refineries built there. But I feel sure that this is a subject which the committee can do well to further study. I wish to congratulate the committee for its action in this bill and for its splendid solution of the sugar problem.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, first permit me to express my appreciation to the Committee on Agriculture for the report of H. R. 4521 to amend and extend the Sugar Act of 1948. As has already been brought out here by many of my colleagues, this extension continues in force and effect the Sugar Act that has worked out satisfactory to all parties concerned. Prior to 1934, and for many years in the development of the sugar industry in the United States, it was in an unstable condition, but after 1934, as has been demonstrated, the people have been able to work out a fair and equitable manner and method of solving this problem.

Since the adoption of the original act in 1934 and the various amendments that have been added thereto, we have been assured of a stable sugar supply throughout the United States. As this report accompanying H. R. 4521 amply demonstrates, there is a sufficient elasticity in the law to assure the consumers of the United States an adequate sugar supply.

In addition thereto, it has assured the industry of this country a fair and just return on their investment. Perhaps not in each instance does it work out fairly for everyone, but at the same time it gets us away from the chaos that existed prior to the time this act was first enacted in 1934. So we feel that the industry in this country has taken a great step and will continue to supply and bring to this Nation an adequate food supply in the form of sugar. I trust that each and all of you will join with us in the thought that this is good and needed legislation.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, the prompt enactment of H. R. 4521 is important not only to all segments of the sugar industry but to the American consumer as well. It will insure an adequate supply of sugar at a reasonable price for at least another 5 years. This will embrace the period of the present emergency and for that reason is a step that is important to the present program of remobilization. The present law—the Sugar Act of 1948—expires on December 31, 1952. This bill would extend the law until December 31, 1956, with some amendments. Among the latter is an increase in the quota for Puerto Rico and the Virgin Islands and some of the so-called full duty countries. The changes in the law by and large do not alter the policy that prevails at the present time and represents more adjustments that have been necessary by the trend of the times in order that the policy be perpetuated. The quota allowed the Territory of Hawaii and other American producers remains the same.

We of Hawaii are strongly in favor of the prompt enactment of this bill in order that our production that is now

reaching one of its highest peaks may continue with the assurance that the high standards achieved in our islands can be sustained and our product will find a ready market.

Sugar is an essential food. It finds its way into our diet in many indirect forms. Besides being used on the dining table to sweeten any number of dishes that are part of our daily diet, it is one of the essential ingredients of most soft drinks, candy, cookies, and cakes.

Close to 50 percent of the sugar used in this country is consumed by the so-called industrial users of sugar, who manufacture these products. Then, sugar is and always has been valuable as a preservative.

It may be said without fear of contradiction that this is a product that finds its way in one form or another into every grocery store, to nearly every food store and to all but a few homes in our country. The welfare of the industry is, therefore, of very great importance to the American consumer.

We have never produced in this country all of the sugar that we have consumed. Some sugar has always had to be imported. Most of it has come from tropical countries that are adapted to the production of cane sugar.

But at no time have we been completely dependent upon foreign countries for our sugar and at no time should we allow ourselves to fall into this position. Experience has shown only too well that when we become dependent for an essential product upon a foreign country we immediately invite higher prices and onerous restrictions. This is especially true when the products come from countries with absentee landlordism and without the restrictions against monopolistic practices that prevail in this country.

The most notorious experience of this kind was with raw rubber prior to World War II—a problem we have met by the production of synthetic rubber in what we like now to call the American rubber industry. The Sugar Act of 1948 aims to protect the consumer against just such an eventuality. It provides conditions under which production of sugar can be sustained in this country under standards that are consistent with the American way of life and, at the same time, makes it possible for an additional amount of sugar to be imported so as to insure the consumer an adequate supply at a reasonable price.

Without protection the American producers cannot survive the competition of other countries where most of the sugar of the world is produced. The principal reasons for this are the low standard of wages prevailing in these countries. Although national conditions for producing sugar in some of them may be considered more advantageous than in American producing areas, the fact remains that in none of them have the same high standards been achieved.

Long experience has amply demonstrated the soundness of this protection as a national policy. For many years the tariff served this purpose. But in the years following the depression in 1929 it failed and, in consequence, the

present system of quotas was adopted in the Jones-Costigan Act of 1934. Without the safeguards of this law and those that have continued it, the production of sugar under the American flag could very readily have disappeared within a few years and the American consumer would be at the mercy of foreign producers whose standards of wages and working conditions are notoriously low.

The provision of the original law limiting the amount of sugar that can be refined in Hawaii to approximately the amount that is consumed in the Territory is still in the law and is as objectionable to us of Hawaii today as it was at the time of its adoption.

It is wrong in principle to deny a Territory that is an integral part of the country the right to market its product in the form it chooses. It is a residue of the old and now completely discredited colonial system under which the so-called mother country imported raw material from its colonies and reserved for itself the privilege of manufacturing this material into the finished product and marketing it where it chose and usually in the same colonies from which the raw material was imported. But I do not propose to labor this point and desire only to record and reaffirm our position because the practical consequences of the present arrangement are not now serious from Hawaii's standpoint and there are other considerations of much greater importance.

The refinery in California, where most of Hawaii's sugar is refined, is owned by Hawaii's industry. The question of whether this sugar should be refined in Hawaii, where new refineries would have to be constructed for this purpose, instead of on the Pacific Coast in the industry's refinery is a lot less important than that the present system of quotas be continued. The discriminatory section with respect to refining sugar in Hawaii can very properly be dealt with at a later time.

Through a period of more than 16 years it has been possible under the provisions of the law now on the statute books to achieve in the sugar industry a balance between consumers and producers, domestic producers and foreign producers, and producers and refiners, that has served well to provide the American people with an adequate supply of sugar at a reasonable price and sustain production under the American flag at constantly improving standards.

For many years Hawaii has been one of the principal sources of sugar for this country. This relationship had its beginning 75 years ago when the United States concluded a commercial treaty of reciprocity with the Hawaiian monarchy. This was in 1876. The treaty permitted the importation of sugar produced in Hawaii free of duty and gave the United States coaling rights at Pearl Harbor. This was indeed a significant day in the history not only of Hawaii but of the United States as the events of the last 10 years have clearly demonstrated. From that day in 1876 when this treaty was concluded the relationship between Hawaii and the United States has become progressively closer.

In 1898 the Hawaiian Islands by voluntary annexation became an integral part of the United States. It is something of a coincidence that the American flag was first raised in Hawaii on August 12, 1898, exactly 53 years ago yesterday. That flag had only 45 stars. Oklahoma, Arizona, and New Mexico were still Territories. Hawaii became a Territory in 1900 by the adoption of the Hawaiian Organic Act that is still the law of Congress and under which we of the Territory are governed and under which we assume and have always met all of the financial obligations of a State and been subject to the same laws of the States.

During the period of the past 50 years, while we have been a Territory of the United States, the sugar industry has undergone great development. At the same time our life in Hawaii has become progressively more closely integrated with that of the rest of the country. Today our relationships with the rest of the country economically, culturally, and socially resembles those of a State in every respect but one. Politically, we are still a dependency with our participation in the National Government severely limited and will continue to be until we become a State. I hope that day is not far off.

The sugar industry remains today as it has for many years past the basis of Hawaii's economy. The interest of Hawaii in this legislation is therefore a very vital one. Hawaii is one of the principal American producers of sugar. Hawaii's quota under the present law is 1,052,000 tons. H. R. 4521 continues this quota. Hawaii will continue in the future under this law, as it has in the past, to produce about one-fourth of the sugar produced under the American flag.

I say without fear of contradiction and without undertaking to boast that the standards achieved in Hawaii in the production of sugar are the highest in the world.

More sugar is produced per acre with respect to the record per single acre and the average for the entire area than in any other sugar-producing area. This is shown by the table which follows:

Average tons of sugar per acre:	Tons
Hawaii.....	9
Louisiana.....	1.6
Florida.....	2.5
Puerto Rico.....	3.5
Beet area.....	2.1
Cuba.....	2.25

Average age of crop due to system is about:	Months
Hawaii.....	22
Louisiana.....	12
Florida.....	14
Puerto Rico.....	14
Cuba.....	14

Mechanization has brought the number of man-hours required to produce a ton of cane to the lowest point ever achieved anywhere. In other words, the volume of sugar produced by each individual sugar worker in Hawaii is greater than in any other place in the world.

And the wages paid to sugar workers in Hawaii are the highest in any place in the sugar industry.

These facts are graphically presented in charts prepared by the Sugar Branch of the Production and Marketing Administration of the Department of Agriculture.

The Hawaiian sugar industry has historically been a world leader in the development of new varieties of cane and better methods of agriculture. And now its scientists are turning their genius to mechanization. This has already reduced the manpower required to produce our sugar by more than one-half during a period of 1 year. The experimental work that has developed new varieties of cane, better methods of agriculture, and mechanization has been financed in full by the sugar industry itself, whose experiment station has won fame throughout the world for its findings. Hawaii's sugar industry is owned by the people of Hawaii—and they are American. With minor exceptions the industry has not suffered from the plague of absentee landlordism. Most of its principal owners are in Hawaii operating the industry themselves.

Production of sugar in Hawaii has been conducted on a corporate basis. It is highly industrialized. This has brought great efficiency in production but it has also brought with it problems of industrial relationship that probably constitute the most serious problems that confront the industry today.

For many years organization of the workers in the sugar industry was resisted by management. The adoption of the Wagner Act brought about a great change in this respect. Representatives of the National Labor Board were active in encouraging the organization of labor and the more enlightened element of management accepted the principle of collective bargaining as the basis upon which future relationships should be conducted. The tide of this great change was stemmed by the outbreak of war on December 7, 1941. From that time until the end of the war, the people of Hawaii lived under the severest restriction and for the best part of the period under military government. But in the 5 years that have elapsed since the war the industry has been torn by bitter industrial strife. I introduce reference to this situation not only so that you may be informed of the present position of our industry but may realize how completely we feel the influence and the effect of Federal law. The people of the Territory, for better or worse, are controlled by the laws of Congress, although they are without the privilege of choosing those whose votes determine what these laws shall be and how they shall be administered.

I am sure everyone will agree that we are at least entitled under these conditions to the full protection and the full benefit of American law.

The standards that we have achieved are a source of great pride but they cannot be sustained without the maintenance of a policy of protection in the sugar industry.

We point with pride to the high wages that are paid to the sugar workers in our industry. We are glad that the conditions under which they are producing sugar are constantly being improved.

We hope that means will be found to raise the standard of wages in other producing areas and favor any steps that the Government can appropriately take to advance these wages and protect them from the competition of low foreign wages. This is the American system.

We feel that the administration of the Sugar Act of 1948 by the Department of Agriculture has been well informed, fair and efficient. Some criticism has been made of it by those who would have this agency pursue a more aggressive policy on the question of minimum wages but we recognize this represents an extremely difficult problem because of the great variation in the conditions controlling production and employment. The producers of beet sugar and cane sugar in the States probably never will achieve the production per acre that is possible in Hawaii because of different climatical conditions, and in Puerto Rico the introduction of mechanization and a compensating increase in wages would only serve to increase the very serious problem of unemployment. We nevertheless set the example and we hope point the way and trust to the perpetuation of the protective system that makes the continuation of these high standards possible.

We believe our performance is in the best tradition of our country and ask that in the same tradition that we continue to enjoy the full protection of American law that is so important to our survival.

We therefore strongly urge the prompt enactment of this bill.

(Mr. FARRINGTON asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, first I would like to correct a question, which I addressed to the chairman of the committee in regard to wool. I am informed, since I addressed that question to him, that I was in error. There was a loss in the wool program when the warehousing and all the rest of the charges are considered.

Mr. Chairman, sugar beets are one of the big crops in my State. We have five large factories, four in my district. The debate today has brought out that the beet industry is not quite as healthy as some of the talks which have been made this afternoon would seem to indicate. The acreage planted in the United States in beets is down 26 percent. That indicates that there is something wrong, perhaps temporarily, but nevertheless something wrong with the beet industry. It is the established policy, as is brought out in the report, to keep a sound sugar industry in the United States and to preserve the ability of this Nation to produce a portion of this vital product needed by the American consumers. I think that is a sound policy. But with beet acreage down 26 percent in this country, my mail indicates that that policy is not being carried out, at least this year, 100 percent. There are several reasons for that. One of them is the increase of prices of other

agricultural commodities. I have here the average prices received by farmers for crops produced in my State in May 1941 and May 1951:

Average prices received by Montana farmers as reported by Bureau of Agricultural Economics

	May 1941	May 1951	Per- centage 1951 as of 1941
Corn.....bushel.....	\$0.65	\$1.75	269
Wheat.....do.....	.68	1.96	288
Barley.....do.....	.41	.99	241
Oats.....do.....	.32	.70	219
Potatoes.....do.....	.50	1.20	240
Beans.....hundredweight.....	3.25	6.50	200
Alfalfa:			
Loose.....ton.....	5.90	19.70	334
Baled.....do.....	8.30	26.60	320
Cattle.....hundredweight.....	8.20	29.20	356
Hogs.....do.....	8.30	21.50	259
Lambs.....do.....	8.70	31.50	362
Wool.....pound.....	.34	1.15	338
Beets.....ton.....	18.71	213.26	152

¹ Final on 1941 crop. Includes \$1.94 Sugar Act payments.

² 1950 crop. Includes approximate additional payment and Sugar Act payment of \$2.46.

Wheat is up 288 percent., Barley is up 241 percent, alfalfa 334 percent, wool 338 percent while beets are up 152 percent. That indicates that the relative price for beets is not in conformity with other agricultural products, which doubtless is one of the reasons that the acreage of beets has decreased.

I have here another statement showing the average rise in price of retail sugar, between 1933 and 1950, from 5.3 cents to 9.7 cents which means an increase of 84 percent. The rise in prices of all food products is 143 percent. Certainly, that is another reason for the switch from beets, a commodity which we want to keep in healthy production in this country. The rise in sugar has been 84 percent. The rise in cane has been 170 percent. The average prices of field labor are up 393 percent in the domestic sugar production area, a situation which makes the production of sugar beets in the West, not as profitable as it formerly was.

I am not speaking here today to ask that the price of beets be raised out of proportion to other food and commodity prices, but I do think the time has come, if we are to have the acreage of this commodity that we need in the country, we must give some consideration to these growers so as to give them a relative price which will make them able to compete with other commodities.

Another reason I would like to bring to the attention of the Congress is that one of the principal products of our irrigated areas of the West is beets. If beets are not in a healthy position, it is going to be difficult for irrigated farms to return the cost and investment of the Federal Government in those irrigated farms.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. CRAWFORD. For the sake of argument, let us assume that the same conditions continue to prevail which have so influenced the acreage of sugar beets in the current year and that next year, 1952, the beet acreage again drops 25 or 30 percent. Assuming that, what

will be the ultimate effect on the sugar supply for the people of the United States as related to price, under a proposal of this kind? Of course, the answer to that question would be that Cuba picks up control of the supply of sugar for our people, and Cuba being a foreign country can set her price.

Mr. D'EWART. That is right, and the domestic sugar industry and the irrigated areas of our country will be hurt.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I wish to commend the Committee on Agriculture for its fine work on this bill, which should have the support of every Member of this House. I have heard of no opposition to this extension of the Sugar Act.

I wish to say a word in behalf of the beet-sugar industry. I can recall a time when the importance of the beet-sugar industry to the welfare of our country was not recognized as it is today. I remember that when I first came to Congress 10 years ago an order had just been issued reducing the sugar-beet acreage for that year. Within a couple of years we were short of sugar because of the war, and were dependent upon domestic producers, both cane and beet, for our sugar supply. Then we began to realize what the beet-sugar industry really meant to this country. I am in favor of doing everything possible to increase our domestic production of sugar so that we can be prepared for any emergency.

There was a time not so long ago when certain high Government officials in this country were contending that the beet-sugar industry was not an economical operation and should be liquidated. I think this theory has now been completely repudiated. I do not hear these expressions anymore. The fact that this bill extending the Sugar Act for another 4 years is before the House today without any opposition is convincing proof the importance of our domestic beet-sugar industry is now recognized by everyone.

Up until recently Colorado has led in the production of sugar beets, with more plants for the processing of sugar beets than any other State. Colorado has always taken the lead in promoting the production of domestic sugar.

We take great pride in Colorado in the fact that we have championed the beet-sugar industry. In Colorado we have the main offices of some of the largest beet-sugar companies in this country. We have always been looked upon as the beet-sugar center of the United States. For this reason this bill today is of tremendous importance to my State.

I am happy to join with my colleagues from Colorado, and the Members of this House, in extending the Sugar Act for another 4 years. This act has meant much, not only for the sugar industry, but also for the general economy of this Nation. It has been called to your at-

tention by my colleague from Colorado [Mr. HILL] that sugar, during World War I, reached a price of \$33 per hundred. Sugar has remained, both during and since World War II, as one of the cheapest of our staple commodities. I think that is largely due to the fact that we have had this Sugar Act, which has made it possible for all segments of the sugar industry to cooperate with each other.

We have the happy situation today where all branches of the sugar industry have agreed to this extension. Everyone concedes that this legislation is most vital to our economy. Representing a district where sugar beets are grown and processed, I am indeed happy to support the pending bill.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, I yield 7 minutes to the gentleman from Nebraska [Mr. MILLER].

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Nebraska. In order to report out the bill presently before us it was necessary for the committee to get in agreement with the Interior Department, the Commerce Department, I believe the Treasury Department, Agriculture Department, the Tariff Commission, also with the farmers, processors, and those handling and connected with sugar production. They must have done a pretty good job, because there does not seem to be any opposition to the legislation; and for that I would compliment the committee. I will support the measure.

I have in my district at Grand Island, Nebr., one of the oldest sugar factories in the United States, and it is still operating. There is an unfortunate incident, though, attached to the sugar industry in western Nebraska in that there are two or three factories that have ceased to operate. You may ask why that happened? I think part of it is due to the fact that regulations by the Government have gradually reduced the acreage of sugar beets. The sugar-beet companies will tell you that they do not have the acreage to warrant keeping the factories open, and I know that many farmers, small farmers—and I own an irrigated farm in western Nebraska—they have quit. My man says, "I do not want to raise sugar beets any more." He finds it is more profitable to raise alfalfa, bale it, and sell it, with less labor troubles and the weather conditions that exist. Then, too, the price of sugar from a calorie standpoint is much lower than other commodities that you now buy. The cost of sugar—oh, it could well be one, two, dollars more than it is at the present time to be in line with the other commodities that the consumer uses. So I think the regulations, and the labor conditions, and the whole group of things have seriously upset the economy in some of these areas, enough so that sugar factories have closed.

There is another thing that comes out of the raising of sugar beets; it is the pulp. I do not know whether it has been mentioned here but the farmers who raised beets in the past always used the pulp to put into the cow. That makes good feed. Beet pulp plus feeding produced fertilizer which the land needs. Instead of raising beets some of these farmers have gone to raising beans, they have gone to raising potatoes, because it is less work; they have made more money with beans and potatoes. You cannot blame the farmer for that, but it has done something to the farm; there is less fertilization and there is no pulp, so the soil fertility is going down. I am hoping that the time will come and come soon in this country when we will set our foot down and say to these great Departments, Interior, Treasury, the Tariff Commission, and so on, that we are going to raise in the United States all the sugar we can raise. We are 26 percent below what we could raise.

Another factor to take into consideration is the changed eating habits of the American people. The eating of the American people has changed. I checked with the Agriculture Department not long ago. Forty years ago they were eating 204 pounds of potatoes—Maine would be interested in this—today they eat 111 pounds of potatoes because somebody said potatoes made you fat, and the women and others quit eating potatoes. Then in the matter of apples, 40 years ago we were eating 55½ pounds of apples per person; today we are eating 38.8 pounds per person. Dairy products, 338 pounds 40 years ago; today the consumption is better than 429 pounds with the exception of butter. You butter people had better ask the oleo people why butter consumption has not increased. In the matter of citrus fruit it has doubled or trebled because 40 years ago they did not have much citrus fruit. Sugar: I believe 40 years ago the consumption was 84 pounds per person; last year it was 106. Coffee, tea, and cocoa have increased from 10 to 19 pounds. And do you know how much food the American has been eating for all these 40 years? One thousand five hundred and seventy-six pounds of food every year.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. COOLEY. I would just like to say that certainly the sugar program has not resulted in forcing the beet producers in the gentleman's territory out of business; actually our information was to the effect that the beet producers have not been able to reach the quota which they have been allotted, and there has been a deficit in the beet area.

I think in the beet area they did not meet the quota, whereas in the sugarcane areas they just about reached the quota.

Mr. MILLER of Nebraska. I think that is true, but a great many farmers have gone out of the sugar-beet business because the support price on beans and potatoes made that crop more attractive.

Mr. COOLEY. I think the gentleman is correct.

Mr. MILLER of Nebraska. A few years ago a man named Henry Wallace came out to Scottsbluff, Nebr., and made the statement before a large number of farmers that they should not be raising beets in that part of the country, that they ought to get their sugar from Puerto Rico and Cuba. The next morning there was a life-sized picture of Mr. Wallace hanging to a tree, with appropriate remarks under it. The farmers did not like the idea that the raising of sugar beets was not for them.

There are other things in this beet picture. I hope that we do not give away our quotas and that it will be possible for new irrigated areas to get a quota to raise beets. Our farmers should be encouraged to raise a full quota.

I would ask that the committee give special attention to not only the price of sugar, because I think it should be raised, but to encouraging farmers to raise sugar beets instead of beans and potatoes, because I know sugar beets are much better for irrigated land. They should not continually just skim off the best soil in raising other crops than beets. I shall vote for this bill.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to know if under this bill if I owned 100 acres of land I can plant anything I want on it?

Mr. CRAWFORD. You can plant?

Mr. NICHOLSON. Yes.

Mr. CRAWFORD. There is nothing in this bill that restricts the production of sugar. I did not say "the marketing of sugar." I said, "the production of sugar." This is a marketing bill, a marketing quota bill.

I would like to ask the distinguished chairman of the House Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY] if there is any provision in this bill which gives the Secretary of Agriculture the direct authority to set the price on sugar?

Mr. COOLEY. No; there is nothing in the bill that gives him that authority.

Mr. CRAWFORD. I agree with the chairman of the Agricultural Committee in that statement. That is what I wanted to emphasize. Here is a program which seems to be absolutely satisfactory to everybody concerned. Perhaps I should say substantially satisfactory to most everybody concerned. It works, and we do not have to give a Government bureau the right to set the price. It has worked for years and there is no direct price-fixing scheme in the whole proposition. If you were to take a vote of the housewives of this country I think they would tell you that sugar is as reasonable in price as anything which they

purchase with which to feed the family to date. So there is something else to keep in mind in dealing with this bill.

The committee report points out one or two other rather significant things.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Montana.

Mr. D'EWART. I would like to quote from the bill:

By providing such supply of sugar as will be consumed at a price which will not be excessive.

Is that not price fixing?

Mr. CRAWFORD. I said, "direct price control," and I still stick to that after the gentleman has read that statement.

What fixes prices? Why, supply, the desire of a seller to dispose of his goods. You can get in an economic squeeze. The banker may call in your loan. You might sell beef cattle at 15 cents per hundred under the market price if you had to raise money, because you could not ship them to market. You will have to raise money or else lose your herd. When the Secretary of Agriculture operates the amount of sugar which can be sold in the United States in such a way as to bring about a balance between supply and demand, naturally that fixes the price of the product in any man's market; but there is no direct price fixing. Show me where the Secretary of Agriculture has issued an order to the producers at what price they should sell their sugar during the last several months, while this law has been in operation. Well, of course, you cannot produce the order. That is what I am emphasizing.

Mr. MILLER of Nebraska. He does it indirectly. You are given a quota and if you go over that quota you cannot sell sugar. He has a fixed price and determines how much is to be consumed, so he has the formula, and by having the formula, indirectly he sets the price of sugar.

Mr. CRAWFORD. I do not know whether I would agree with that completely. He may have a formula. Suppose the farmers in your district decide that they do not want to grow any sugarcane or sugar beets. What are you going to do about that proposition? Suppose the farmers in Louisiana, Texas, and all the 16 sugar-beet-growing States decide they will not grow any more sugar, then they have nothing to sell and they have to do something else, through the co-operation of some other country.

The committee report says:

Sugar is an essential food product, and it has long been the established policy of the United States Government—for defense and strategic reasons—

And if I had been writing that report I would have put in another item there, "for defense and strategic reasons and the protection of the pocketbooks of the housewives of this country in their purchase of sugar."

The report goes on—

to preserve within the United States the ability to produce at least a portion of this vital food product needed by American consumers.

And, I would not have used the language "at least a portion"; I would have used language "at least a very substantial portion."

Now, why do I say that? Going to page 4 of the bill it shows that the domestic sugar industry, operating under the American flag, as our distinguished chairman the gentleman from North Carolina [Mr. COOLEY] has pointed out, can, under this bill, place in the market 54.08 percent of the sugar marketed in this country. That is correct, is it not, may I ask the distinguished gentleman?

Mr. COOLEY. That is right.

Mr. CRAWFORD. And there is a substantial portion. There is the security for the housewives of this country, the fact that you give the domestic producers—and who are they? The American citizens in Hawaii, Puerto Rico, the Virgin Islands, the United States beet and the United States cane areas—the right under the sugar marketing quota to sell into this market over 54 percent of whatever determination the Secretary of Agriculture says may be sold. There is your protection. Suppose the inflationary forces continue to work. Suppose the war operations become much heavier and millions of our men are pulled away from farm and industry to fight wars until such a situation develops where the sugar growers of this country cannot produce sugar, then what is your situation? Then may I say to my friends who so often speak substantially in the interest of organized labor—which is certainly all right and I have no objection to that—you become dependent upon the low-paid, semislave labor of Cuba and other hot countries for the sugar that comes into this country. But, you will have no power to control the price of that sugar coming in. The foreign producer under the foreign flag, where his own Government is sovereign, can sell that sugar to your housewives as they did following World War I—not during World War I, following World War I—at as high as 23½ cents per pound raw value, which means 35 cents per pound refined value at the retail stores. This occurred then because Cuba was in control of the market. It can occur again if we let our domestic production fall to a very low level.

That is why your Government should always protect our domestic consumers in having produced a very substantial percentage of whatever sugar is consumed, in this country, so as to make you independent of the avariciousness of the producer in the foreign country who produces his sugar at these low, sweat-labor costs and sells it at a high price because he can control the market in the United States by reason of the absence of domestic production of sugar under the American flag.

Mr. Chairman, those are the points I wish to emphasize here. Of course this bill is here in the interest of the consumers of sugar, in the interest of those who work in the sugar cane fields and in the beet fields in all of these domestic areas, and in the interest of those who have invested their savings in the ma-

chinery, the buildings, and the tools which are used by the factory workers to process and refine the sugar grown in the areas covered by this bill.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the Resident Commissioner from Puerto Rico [Mr. FERNÓS-ISERN].

Mr. FERNÓS-ISERN. Mr. Chairman, H. R. 4521, to amend and extend the Sugar Act of 1948, has the full endorsement of the people of Puerto Rico.

Sugar is the backbone of the Puerto Rican economy. Puerto Rico is a small subtropical island of 3,500 square miles. It is an American Territory. It lives within the tariff system of the United States. It buys and sells almost exclusively in the United States. Puerto Rico is as much a member of the United States economic system as Rhode Island, New York, or California.

Nature's laws make us dependent upon the agricultural products of our soil for our livelihood. Our position within the economic system of the United States requires us to concentrate on such products of a tropical soil as meet the demand of the United States domestic market of which we are a part.

Thus, we must devote our energies to sugar, which the climate permits us to produce; which the people of the United States consume and do not produce in quantities large enough to satisfy domestic consumption.

Since 1934, Congress has found it necessary to enact legislation to stabilize the sugar market, to protect domestic producers, so that they may be able to continue to produce, and consumers to the end that there may be an adequate supply of sugar at fair prices.

When the 1948 Sugar Act was enacted, Puerto Rico was not given a marketing quota sufficient to take care of its production. This hit us in the Achilles heel of our economy; 1948, 1949, and 1951 have been years of anguish for Puerto Rico. We have been faced with a sugar surplus above quota with no ready market for it.

I must express sincere appreciation for the able way that the Sugar Branch of the Department of Agriculture has tided Puerto Rico over this difficult period. They have extended themselves to the utmost to find ways to help us. Now when the 1948 law is to be continued, the administration, after careful study and consideration of all factors concerned, has recommended an increase in Puerto Rico's quota. It does not take care of Puerto Rico's full production, but it certainly helps, and it will give the island's people a greater sense of security as to their economic future. Puerto Rico is grateful to the Committee on Agriculture for its unanimous recommendation for this increase as embodied in the bill.

Still, there is an aspect of the 1948 Sugar Act that stems from the original sugar legislation of 1934, which under H. R. 4521 will be extended for 4 more years, and which we consider to be eminently unfair to Puerto Rico. I refer to a quantitative restriction imposed on trade between Puerto Rico and the mainland. Under the Sugar Act, Puerto Rico

is not permitted to market its quota sugar in the mainland as refined sugar, except in fractional amount. This violates the principle of free trade, as it exists in interstate commerce, and has been intended to exist between Puerto Rico and the mainland, since Puerto Rico was first organized under law of Congress in 1900. Since 1900 Puerto Rico has been incorporated into the tariff system of the United States. This should call for unhampered trade with the mainland. Being within the tariff system we are practically cut off from foreign trade. Under the refined-sugar restriction we are also curtailed in our free trade within the economic system of the United States.

Puerto Rico has 2,200,000 inhabitants. Ours is one of the most densely populated areas in the world. There are more than 600 persons per square mile. We cannot live on agriculture alone. We must industrialize in order to survive. No industry is more natural to us than the refinement of our own sugar which in turn is our main product. Yet we are prevented from doing this by Federal law.

H. R. 4521 does not alter the provision limiting the refining of sugar in Puerto Rico first established in 1934 as a temporary measure. The limitation is now stretched four more years up to 1956. Thus, for 22 years, Puerto Rico will have been prevented from developing its refining industry and is forced to operate only 50 percent of its capacity.

The Committee on Agriculture very generously and in the spirit of justice, for which I wish to express my thanks, calls attention to this situation on page 14 of the report. I quote from the report:

The bill increases the quota for Puerto Rico from 910,000 tons annually under the 1948 act, to 1,080,000 tons. In addition, Puerto Rico produces and refines its own sugar for domestic consumption, currently about 110,000 tons per year. While the increase of 170,000 tons in the Puerto Rico quota will not absorb the entire sugar production of which the island is capable in good crop years, it is believed that it will substantially improve the situation of producers in Puerto Rico.

The committee was asked to consider an increase in the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota. At the present time, Puerto Rico is limited to shipment of 126,000 tons of refined sugar to the mainland. It refines, of course, that sugar which is used domestically, but the total of approximately 236,000 tons which is now refined in Puerto Rico, is only about one-half the refining capacity presently available on the island. Puerto Rico's quota of refined sugar has not been increased since the establishment of sugar quotas in 1934, and no change is made in the refined-sugar quotas in this bill. The committee feels that some adjustment might well be considered in the proportion of the Puerto Rico quota which can be refined on the island, but it felt that this question is a matter distinctly separate from the assignment of over-all production quotas, with which this bill is concerned, and it believes that this matter should be taken up separately and at another time.

These words carry new hope for the people of Puerto Rico, a hope we expect to bear fruit in the near future. With this new hope, and, despite the fact that H. R. 4521 does not entirely meet our

expectations, or solve this important problem of sugar refining, I say again that the people of Puerto Rico endorse the bill. We believe it an important step in the right direction and we pray that it be adopted.

Mr. COOLEY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 202 of the Sugar Act of 1948 is hereby amended to read as follows:

"Sec. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas (a) for—

"Domestic sugar-producing areas, by apportioning among such areas 4,444,000 short tons, raw value, as follows:

<i>"Area</i>	<i>Short tons, raw value</i>
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	1,080,000
Virgin Islands-----	12,000

"(b) For the Republic of the Philippines, in the amount of 952,000 short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

"(c) For foreign countries other than the Republic of the Philippines, by prorating among such countries an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

<i>"Area</i>	<i>Percent</i>
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

"Ninety-five percent of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than 2 percent of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of 1 percent of the quota for foreign countries other than Cuba and the Republic of the Philippines.

"(d) Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:

"(1) Twenty-eight and six-tenths percent of the amount of sugar determined under section 201 when such amount is 7,400,000 short tons or less; and

"(2) Two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than 7,400,000 short tons.

"The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba."

Committee amendment:

Page 1, line 8, after the word "existing", strike out "quotas (a) for" and insert "quotas—

"(a) For."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, after line 12, strike out the word "Area" and insert "Country."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. Section 204 of such act is amended to read as follows:

"SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

"To Cuba, 96 percent; and

"To foreign countries other than Cuba and the Republic of the Philippines, 4 percent.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

"Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

"(b) Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.

"(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section."

SEC. 3. Section 207 of such act is amended by adding a new subsection (h) as follows:

"(h) The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 percent of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950."

Committee amendment:

Page 5, line 3, insert:

"SEC. 4. Section 208 of such act is amended to read as follows:

"SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

"In terms of wine
gallons of 72 percent
total sugar content

"Country:

"Cuba-----	7,970,558
Dominican Republic-----	830,894
British West Indies-----	300,000
Other foreign countries--	0"

The committee amendment was agreed to.

Mr. HALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the distinguished chairman of the Committee on Agriculture knows, I am very much interested in this section of the bill in behalf of an importer of molasses in my district, who imports in small quantities from the British West Indies and Barbados. As is stated in the committee report, these importations presented a problem due to the fact that it is impracticable, for technical reasons—or at least very difficult—to have importations of molasses comply with the existing law as to soluble nonsugar solids. The distinguished chairman of the Committee on Agriculture gave very fair consideration to this problem as it affects my constituent and other importers of molasses. I am not at all sure that this is the best possible solution under all the circumstances, but it is certainly a fair recognition of the problem and a fair effort to deal with it, and I wish to express my personal gratitude to the committee.

I would like to inquire of the chairman of the committee whether the reference to quotas for the British West Indies is not in fact almost entirely taken up by importations from Barbados.

Mr. COOLEY. I think that is correct. It is meant almost entirely for Barbados molasses.

Mr. HALE. I think the British West Indies would not include British Guiana. I do not know whether there are any importations from British Guiana. Perhaps the gentleman can inform me whether that was any factor in the consideration.

Mr. COOLEY. I think our information was to the effect that this entire provision would be for Barbados molasses.

Mr. HALE. I am very grateful to the chairman and to the committee for their consideration. I think this provision of the bill is a salutary one.

I yield back the remainder of my time, Mr. Chairman.

The Clerk read as follows:

SEC. 4. Section 411 of such act is amended to read as follows:

"Sec. 411. The powers vested in the Secretary under this Act shall terminate on December 31, 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1956 and previous crop years."

Committee amendment: Page 6, line 7, strike out "4" and insert "5."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended by striking out "June 30, 1953" wherever appearing therein and inserting in lieu thereof "June 30, 1957".

Committee amendment: Page 6, line 14, strike out "5" and insert "6."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 6. The amendments herein shall become effective January 1, 1953, except that sections 1 through 3 hereof shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

Committee amendment: Page 6, line 18, strike out "6" and insert "7."

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment which is made necessary because the Printing Office failed to include one amendment which was adopted by the Committee.

The Clerk read as follows:

Committee amendment offered by Mr. COOLEY: page 6, line 18, strike out the figure "3" and insert in lieu thereof the figure "4."

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely for the purpose of complimenting and paying a brief tribute to the Administrator who has so well, effectively, and satisfactorily administered this sugar program. I have served on the Committee on Agriculture for many years, and I am frank to say that Mr. Lawrence Myers presented one of the most comprehensive statements when he appeared before our committee that it has been my pleasure ever to hear in that committee. He has demonstrated an impartial and fair attitude at all times and has administered the law in accordance with both its letter and its spirit.

I think it is due largely to Mr. Myers' efforts that all of the departments of the Government and all branches of the industry have been brought together in almost complete accord with regard to the problems involved. As I recall when I first came to Congress the sugar industry was in almost a state of chaos; you could hardly get one sugar man to speak to another; now they all seem to be as sweet as sugar and everything is going well. I think it is due largely to the magnificent manner in which Mr. Myers has administered the law.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. I simply want to join with my distinguished chairman in the tribute he has paid to Mr. Myers and the splendid way in which Mr. Myers has administered the present Sugar Act. I am sure that every member of the committee was well impressed with Mr. Myers' statement which was one of the finest, I think, that was ever made before our committee by any Government official.

Mr. COOLEY. I thank the gentleman.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRESTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the

bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes, directed him to report the same back to the House with sundry amendments adopted in the Committee of the Whole with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. COOLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF BANKHEAD-JONES FARM TENANT ACT

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 684) to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans so as to provide more effective assistance to production- and subsistence-loan borrowers, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPE. Mr. Speaker, reserving the right to object, and I shall not, will the gentleman from North Carolina kindly explain the provisions of the bill?

Mr. COOLEY. I shall be very glad to yield to the gentleman from Oklahoma [Mr. ALBERT] for that purpose, and further to the gentleman from Alabama [Mr. JONES]. These two gentlemen were the authors of two bills which our committee considered.

Mr. ALBERT. Mr. Speaker, the House passed a similar bill to this, H. R. 7268, last year. It was known as the Pace bill. The gentleman from Alabama [Mr. JONES] and myself, introduced bills identical to the Pace bill this year. These were H. R. 2642 and H. R. 4077. The principal difference between our bills and S. 684 is that S. 684 did not increase the present mortgage lending authority of \$100,000,000 but left it exactly where it is in existing law. Mr. JONES' bill and mine would have increased this authority to \$200,000,000.

ANALYSIS OF S. 684

The words "and insuring mortgages" and "insured mortgages or" in lines 6 and 7 of page 1 are stricken out so that the formulas regarding direct loans and insured loans will be different. Lines 3 to 11, page 2, sets up a new formula in the case of insured loans.

Under the present law, both direct and insured loans are made with reference to farm population and prevalence of tenancy in the various States. With this amendment, direct loans will continue to be made on this basis. With respect to insured loans, however, one-quarter or \$25,000,000 of present \$100,000,000 insur-

ance authority will be distributed to the various States and Territories based on applications and without regard to the farm population or prevalence of tenancy formula. This change in the law is necessary in order to enable some of the Western States where farm tenancy population ratio is low, to take advantage of the act.

Section 2: Section 2 relates to operating loans and makes four changes in the present law.

First. It raises the limit on the amount of initial operating loans from \$3,500 to \$7,000.

Second. It raises the debt limit for such loans from \$5,000 to \$10,000.

Third. It raises the maximum repayment period from 5 to 7 years.

Fourth. It raises from 5 to 7 years the period during which a borrower may be continually indebted for operating loans and still be eligible for additional financial assistance.

The need for increasing initial operating loans and debt limits on such loans are related directly to the changed agricultural situation. The prices farmers have to pay for items used in their operations have increased sharply in recent years. At the present time, \$5,900 is required to purchase the same amount of machinery and livestock as could be purchased in 1946 for \$3,500. Additional amounts are further needed because of the increased tendency to mechanize and to use fertilizer and soil-improvement practices.

The time limit is raised from 5 to 7 years because experience has shown that 5 years are not sufficient time for many family-type farmers to make and pay for needed major adjustments in their farming operations. This has been brought out by studies made by the North Carolina Agricultural Experiment Station and by the Federal Reserve Bank of St. Louis.

Section 3: Section 3 of the bill provides that in the case of insured mortgage loans, the Secretary may at his discretion delay his request for financing until the borrower has acquired a sufficient equity in the farm to enable the holder of the insured mortgage to refinance the loan on an uninsured basis under the laws or regulations to which he may be subject.

The reason for this provision is that many lenders do not have legal authority to make conventional loans unless the equity is greater than the present law requires for refinancing. This gives such lenders a chance to carry the loan after its insured features have lapsed. Where lenders are unwilling to do so, the borrower will still be required to refinance a loan with any other responsible credit source available.

Section 4: Section 4 allows discretionary authority to defer the initial payment for real estate or operating loans at a date not exceeding two full crop years from the date of the loan, if the Secretary determines that farm income is sufficient to make the initial payment cannot readily be anticipated at an earlier date.

This provision is necessary, particularly when loans are made involving sub-

stantial land development or the conversion of a farm operation to a substantially different type. In such cases, yields are delayed generally until livestock matures or pastures have become productive or land development is completed. Under such circumstances it is unrealistic to require repayment within a period of 1 year.

Mr. JONES of Alabama. Mr. Speaker, I hesitate to impose on the time of the House by commenting on the pending measure especially after the very fine analysis made by the coauthor the gentleman from Oklahoma [Mr. ALBERT], who has just preceded me. However, I would like to emphasize the most salient points that were brought to your attention by my distinguished colleague.

Mr. Speaker, I would like to preface my remarks on this pending measure by giving an account of the history of this legislation. Most of us no doubt recall that year before last, during the first session of the Eighty-first Congress, we passed an almost identical bill authored by Mr. Pace and myself which failed to be adopted in the Senate. This year the Senate has adopted S-684 which is almost identical with the pending legislation in the House of which the gentleman from Oklahoma, Congressman ALBERT, and I are coauthors.

The distinguished Agriculture Committee has gone into this measure most thoroughly and has reported the bill unanimously. I wish to commend this excellent committee for the very thorough and punctual consideration that attended their deliberation on this measure.

Undoubtedly, the most urgent features of this bill are those provisions which amend title II of the Bankhead-Jones Farm Tenant Act dealing with so-called production and subsistence-operating loans. Provision is made to increase the limitation on the amount of an initial operating loan from \$3,500 to \$7,000 and to increase from \$5,000 to \$10,000 the total debt limit for such loans. Provision is also made to raise from 5 to 7 years the period during which operating loans must be repaid, and extend from 5 to 7 years the period beyond which borrowers who are continuously indebted for loans may be eligible for additional financial assistance.

There are two primary reasons why the limitations on the size and the total amount of operating loans need to be increased:

First, modern farming requires more extensive use of credit than in any previous period of our history. To achieve greater efficiency and security in the operation of family-type farms usually involves additional mechanization, increased use of fertilizer, additional investments in soil improvement, fencing, and livestock.

According to the Bureau of Agricultural Economics studies, the total average investment, but not necessarily the amount of credit needed, for farm machinery and productive livestock on family-operated farms in four major types of farming areas during 1949 were as follows: \$8,941 for Wisconsin dairy farms; \$7,921 for wheat, corn, and live-

stock farms in the Northern Plains; \$7,487 for hog, corn, and beef cattle farms in the Corn Belt; and \$6,800 for combination cotton and dairy farms in the South. These figures represent the average investments, based on actual farm inventory values, for livestock and machinery on typical family-operated farms. They do not include annual operating capital needed for carrying out the farming operations. Since these figures represent averages for the farmers included in each group, they do not reflect the increased capital investments that would be required by farmers who have limited resources with which to start farming. Under the present loan limitations, it is necessary in many areas to limit operating credit assistance under this program to only those applicants who have acquired considerable equity in machinery and livestock. Many established farmers need to change from a single cash crop system to a diversified system in order to increase their incomes to produce a satisfactory living for their families, meet operating expenses, fixed overhead costs, repay loans, and maintain or improve the fertility of the soil. For many of these family-type farm operators to undertake successfully a sound, well-balanced farming operation, credit in excess of the present limitations is required.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I would like to state that the gentleman from Alabama, who is now addressing the House, introduced H. R. 2642, which was the first bill introduced in this Congress on this subject.

Mr. JONES of Alabama. I appreciate the statement made by the distinguished gentleman from Oklahoma concerning this bill. As coauthor of this measure I can assure the Members of the House that it has been a rare privilege indeed to have worked with him in the preparation and presentation of the bill to the committee and to the House. No one has shown a keener insight into the problems of agriculture nor has there been a more zealous advocate for rural America than my friend and colleague the gentleman from Oklahoma [Mr. ALBERT].

The second reason why the limitations on the size and total amount of operating loans need to be increased is because prices which farmers have to pay for the items used in their operations have increased sharply in recent years and it is absolutely necessary to have more cash or credit to meet operating costs. For example, a farmer who would have required a \$3,500 loan in 1946 for annual operating expenses and the purchase of machinery and livestock would have required a loan of approximately \$5,900 for the same purposes in March 1951. This represents an increase of 61 percent. Large numbers of family-type operators are finding it impossible to obtain credit in adequate amounts for making needed improvements. They are forced to continue farming under a system which precluded

82^D CONGRESS
1ST SESSION

H. R. 4521

IN THE SENATE OF THE UNITED STATES

AUGUST 14 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committee on Finance

AN ACT

To amend and extend the Sugar Act of 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 of the Sugar Act of 1948 is hereby amended
4 to read as follows:

5 “SEC. 202. Whenever a determination is made, pur-
6 suant to section 201, of the amount of sugar needed to meet
7 the requirements of consumers, the Secretary shall establish
8 quotas, or revise existing quotas—

9 “(a) For domestic sugar-producing areas, by appor-

tioning among such areas four million four hundred and
 forty-four thousand short tons, raw value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands -----	12, 000

"(b) For the Republic of the Philippines, in the
 amount of nine hundred and fifty-two thousand short tons of
 sugar as specified in section 211 of the Philippine Trade Act
 of 1946.

"(c) For foreign countries other than the Republic of
 the Philippines, by prorating among such countries an
 amount of sugar, raw value, equal to the amount determined
 pursuant to section 201 less the sum of the quotas established
 pursuant to subsections (a) and (b) of this section, on the
 following basis:

"Country	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

"Ninety-five per centum of the quota for foreign coun-
 tries other than Cuba and the Republic of the Philippines
 shall be prorated among such countries on the basis of the
 average amount imported from each such country within
 the quotas established for the years 1948, 1949, and 1950,
 except that a separate proration need not be established for
 any country which entered less than two per centum of

1 the average importations within the quotas for such years.
2 The amount of the quota not so prorated may be filled by
3 countries not receiving separate prorations, but no such
4 country shall enter an amount pursuant to this subsection in
5 excess of one per centum of the quota for foreign countries
6 other than Cuba and the Republic of the Philippines.

7 “(d) Notwithstanding the other provisions of this title
8 II, the minimum quota established for Cuba, including in-
9 creases resulting from deficits determined pursuant to section
10 204 (a), shall not be less than the following:

11 “(1) 28.6 per centum of the amount of sugar deter-
12 mined under section 201 when such amount is seven
13 million four hundred thousand short tons or less; and

14 “(2) two million one hundred and sixteen thousand
15 short tons, when the amount of sugar determined under
16 section 201 is more than seven million four hundred
17 thousand short tons.

18 The quotas for domestic sugar-producing areas, established
19 pursuant to the other provisions of this title II, shall be
20 reduced pro rata by such amounts as may be required to
21 establish such minimum quota for Cuba.”

22 SEC. 2. Section 204 of such Act is amended to read as
23 follows:

24 “SEC. 204. (a) The Secretary shall from time to time
25 determine whether, in view of the current inventories of

1 sugar, the estimated production from the acreage of sugar-
2 cane or sugar beets planted, the normal marketings within
3 a calendar year of new-crop sugar, and other pertinent fac-
4 tors, any area will be unable to market the quota for such
5 area. If the Secretary finds that any domestic area or
6 Cuba will be unable to market the quota for such area, he
7 shall revise the quotas for the domestic areas and Cuba by
8 prorating an amount of sugar equal to the deficit so deter-
9 mined to the other such areas on the basis of the quotas
10 then in effect. If the Secretary finds that the Republic of
11 the Philippines will be unable to market the quota for such
12 area, he shall revise the quotas for Cuba and foreign coun-
13 tries other than Cuba and the Republic of the Philippines
14 by prorating an amount of sugar equal to the deficit so
15 determined, as follows:

16 “To Cuba, 96 per centum; and

17 “To foreign countries other than Cuba and the
18 Republic of the Philippines, 4 per centum.

19 If the Secretary finds that foreign countries other than
20 Cuba and the Republic of the Philippines cannot fill the
21 quota for such area, he shall increase the quota for Cuba
22 by an amount equal to the deficit.

23 “Whenever the Secretary finds that any area will be
24 unable to fill its proration of any such deficit, he may ap-

1 portion such unfilled amount on such basis and to such areas
2 as he determines is required to fill such deficit.

3 “(b) Whenever the Secretary finds that any country
4 will be unable to fill the proration to such country of the
5 quota for foreign countries other than Cuba and the Republic
6 of the Philippines established under section 202 (c), or
7 that any part of such proration has not been filled on Sep-
8 tember 1 of the calendar year, he may apportion such un-
9 filled amount on such basis and to such countries as he
10 determines is required to fill such proration.

11 “(c) The quota or applicable proration for any domestic
12 area, the Republic of the Philippines, Cuba, or other foreign
13 countries as established under the provisions of section 202
14 shall not be reduced by reason of any determination of a
15 deficit existing in any calendar year under the provisions of
16 subsections (a) and (b) of this section.”

17 SEC. 3. Section 207 of such Act is amended by adding
18 a new subsection (h) as follows:

19 “(h) The quota for foreign countries other than Cuba
20 and the Republic of the Philippines may be filled by direct-
21 consumption sugar only to the extent of 1.36 per centum of
22 the amount of sugar determined pursuant to section 201 less
23 the sum of the quotas established in subsections (a) and (b)
24 of section 202: *Provided*, That each such country shall be

1 permitted to enter an amount of direct-consumption sugar
 2 not less than the average amount entered by it during the
 3 years 1948, 1949, and 1950."

4 SEC. 4. Section 208 of such Act is amended to read as
 5 follows:

6 "SEC. 208. Quotas for liquid sugar for foreign countries
 7 for each calendar year are hereby established as follows:

"Country	In terms of wine gallons of 72 per centum total sugar content
Cuba-----	7, 970, 558
Dominican Republic-----	830, 894
British West Indies-----	300, 000
Other foreign countries-----	0"

8 SEC. 5. Section 411 of such Act is amended to read as
 9 follows:

10 "SEC. 411. The powers vested in the Secretary under
 11 this Act shall terminate on December 31, 1956, except that
 12 the Secretary shall have power to make payments under title
 13 III under programs applicable to the crop year 1956 and
 14 previous crop years."

15 SEC. 6. Section 3508 of the Internal Revenue Code
 16 (relating to termination of taxes) is amended by striking out
 17 "June 30, 1953" wherever appearing therein and inserting
 18 in lieu thereof "June 30, 1957".

19 SEC. 7. The amendments herein shall become effective
 20 January 1, 1953, except that sections 1 through 4 hereof

- 1 shall be effective for purposes of the determinations and regu-
- 2 lations required for the calendar year 1953.

Passed the House of Representatives August 13, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

82ND CONGRESS
1ST Session

H. R. 4521

AN ACT

To amend and extend the Sugar Act of 1948,
and for other purposes.

AUGUST 14 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committee on Finance

The insured or the date of the bill's enactment, whichever is later. The provisions of the bill would not extend to members of the organized military (including guerrilla forces) of the Commonwealth of the Philippines.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H. R. 4521. An act to amend and extend the Sugar Act of 1948, and for other purposes; and

H. R. 4948. An act to suspend certain import duties on lead.

CIVIL FUNCTIONS APPROPRIATIONS—AMENDMENTS

Mr. MONRONEY submitted an amendment intended to be proposed by him to the bill (H. R. 4386) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CONNALLY submitted amendments intended to be proposed by him to House bill 4386, supra, which were ordered to lie on the table and to be printed.

Mr. JOHNSON of Texas submitted amendments intended to be proposed by him to House bill 4386, supra, which were ordered to lie on the table and to be printed.

REVENUE ACT OF 1951—AMENDMENT

Mr. McMAHON submitted an amendment intended to be proposed by him to the bill (H. R. 4473) to provide revenue, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT OF THE MERCHANT MARINE ACT, 1936—AMENDMENT

Mr. MAGNUSON. Mr. President, Senate bill 241, a bill to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, is on the calendar. That bill is commonly known as the long-range shipping bill. I have hope that between the consideration of some of the appropriation bills, as they come to the floor of the Senate from the committee, we may have an opportunity to bring up that bill for discussion and vote.

Mr. McKELLAR. Mr. President, I hope the Senator will not present that bill now.

Mr. MAGNUSON. I am not presenting the bill now, but, because the bill is so technical and so complicated and because there is a possibility that we may discuss it soon, on behalf of myself and the Senator from Maryland [Mr. O'CONOR] I ask unanimous consent to submit to Senate bill 241 an amendment in the nature of a substitute, which I now send to the desk and ask to have printed and lie on the table, so that all Senators may know what it is about.

The PRESIDENT pro tempore. Without objection, the amendment will be received and printed, and will lie on the table.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. WILLIAMS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4386) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes, the following amendment, namely: At the proper place in the bill insert the following:

"SEC. . No funds or contract authorizations made available by this act shall be used for the construction of any structure, work, or other project unless (1) such construction is certified by the Secretary of Defense to be essential to national security, or (2) the construction of such structure work, or other project has been commenced prior to the enactment of this act, and substantial detriment to the interests of the United States will result if the proposed further construction is not carried out."

Mr. WILLIAMS also submitted an amendment intended to be proposed by him to House bill 4386, making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

AMENDMENT OF MERCHANT MARINE ACT, 1936—PRINTING OF PART 2 OF REPORT NO. 295

Mr. HOLLAND. Mr. President, at the request of the Senator from Washington [Mr. MAGNUSON], I ask unanimous consent to have printed part 2 of Senate Report No. 295, accompanying the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Twenty-five postmasters.

By Mr. NEELY, from the Committee on the District of Columbia:

Francis F. Healy, to be a member of the District of Columbia Redevelopment Land Agency, vice Edward A. Dent, resigned.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were

ordered to be printed in the Appendix, as follows:

By Mr. HILL:

Address commenting on the lives of five great Americans, broadcast by Senator DOUGLAS, on August 12, 1951, from Station WMAL, Washington, D. C.

Editorial from the New York Times of August 13, 1951, entitled "Strictly But Strictly Phony," relating to the peace message sent to President Truman by Soviet President Shvernik.

By Mr. MARTIN:

Report by him to the people of Pennsylvania on August 13, 1951, broadcast on August 13, 1951, entitled "Happenings In Washington, Program No. 47."

Article entitled "Nation's Morals the Issue in Scandal at West Point," by George E. Sokolsky, which will appear hereafter in the Appendix.

By Mr. McMAHON:

Address entitled "The Power of Choice," delivered by Archibald MacLish, at the commencement exercises at Radcliffe College, and published in the Atlantic Monthly.

By Mr. PASTORE:

Address entitled "Education and the Productive Citizen," delivered by Dr. Earl J. McGrath, United States Commissioner of Education, on August 10, 1951, at the 1951 commencement exercises of Bryant College, Providence, R. I.

By Mr. MUNDT:

Article entitled "The Forgotten Man," written by William G. Sumner, published in the United States News for November 2, 1936.

By Mr. THYE:

Editorial entitled "An Ironical Fearfulness Is Delaying the Seaway," published in the Minneapolis Star of August 11, 1951, relating to the St. Lawrence Seaway.

Article entitled "Seaway Proponents Strong, But Foes Outmaneuver Them," written by Leo Sonderegger and published in the Minneapolis Star of August 11, 1951.

By Mr. DOUGLAS:

Article entitled "New Law Felt Likely to Force Prices Up," written by Alfred Friendly and published in the Washington Post, relating to price roll-backs and the so-called Capehart amendment.

By Mr. SMATHERS:

Article entitled "Pilots To Fly Story of MRA Across Nation," published in the Miami Herald of July 4, 1951, and letter from William M. Wolfarth, mayor of Miami, Fla., to Senator SMATHERS, under date of August 6, 1951, relating to moral rearmament.

By Mr. FREAR:

Statement entitled "The Delaware Memorial Bridge," printed in the souvenir program prepared for the dedication of the bridge on August 15, 1951.

SIXTEENTH ANNIVERSARY OF THE PASSAGE OF THE SOCIAL SECURITY ACT

Mr. LEHMAN. Mr. President, I ask unanimous consent to address the Senate for about 2 minutes.

The PRESIDING OFFICER. Without objection, the Senator from New York may proceed.

Mr. LEHMAN. Mr. President, today, August 14, 1951, is the sixteenth anniversary of the passage of the original Social Security Act. The past 16 years of successful operation of our social security system stand as a tribute to those men who had the foresight and initiative to struggle for and enact the original law. It was signed by our late President, Franklin Delano Roosevelt, on August 16, 1935, in order to provide some measure of protection for the average citizen and his family against poverty-ridden old age.

Of this act, President Roosevelt said, "This law, too, represents a cornerstone in a structure which is being built but is by no means complete." Since its date of enactment it has proven its value. In 1935, some 26,000,000 persons worked in employment covered by the Social Security Act. By 1950, the growth in population and in the number of jobs had increased the social security coverage to 35,000,000. Last year, the Congress demonstrated its belief in and support of the social security program by extending coverage to an additional 10,000,000 persons and substantially increasing its benefits.

In fiscal 1951, some \$1,500,000,000 were paid out to beneficiaries of the old age and survivors insurance program to as many as 4,000,000 persons per month. Through June 1951, a total of \$4,874,000,000 has been paid out to beneficiaries of the old age and survivors insurance program.

When it is borne in mind that these payments have been made to millions of our aged citizens throughout the Nation and were based on contributions which these same citizens made to a common fund, we can indeed pay grateful tribute to the intelligent foresight of those legislators and to the national leadership whose efforts led to the enactment of this vital program.

There were many other features in the original Social Security Act, such as the public assistance program with its aid and benefits to the aged, to the blind, and to dependent children, which we have improved wherever possible. I for one, Mr. President, am thankful that the program was started when it was and that ensuing Congresses and administrations have kept the program alive and growing.

For my part I intend to do what I can to carry on this great work, to expand and extend the social security program which plays so large a role in the welfare and the security of this Nation and its people.

Mr. President, I ask unanimous consent to insert at the end of these remarks the historic statement made by the late President Roosevelt when he signed the original Social Security Act on August 14, 1935.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PRESIDENTIAL STATEMENT UPON SIGNING THE SOCIAL SECURITY ACT, AUGUST 14, 1935

Today a hope of many years' standing is in large part fulfilled. The civilization of the past hundred years, with its startling industrial changes, has tended more and more to make life insecure. Young people have come to wonder what would be their lot when they came to old age. The man with a job has wondered how long the job would last.

This social-security measure gives at least some protection to 30,000,000 of our citizens who will reap direct benefits through unemployment compensation, through old-age pensions, and through increased services for the protection of children and the prevention of ill health.

We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to

his family against the loss of a job and against poverty-ridden old age.

This law, too, represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness.

I congratulate all of you ladies and gentlemen, all of you in the Congress, in the executive departments and all of you who come from private life, and I thank you for your splendid efforts in behalf of this sound, needed, and patriotic legislation.

If the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this bill, the session would be regarded as historic for all time.

THE SITUATION AT WEST POINT

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I sent yesterday to the Secretary of Defense, commenting on the deplorable situation at West Point and calling attention to practices in other institutions where the football problem has been handled and where the honor system has also been handled.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 13, 1951.

HON. GEORGE C. MARSHALL,
Secretary of Defense,
The Pentagon, Washington, D. C.

MY DEAR MR. SECRETARY: I know you are as much disturbed as we all are over the sad disclosures of the fall-down of the honor system at West Point. Having had some experience with football and with the honor system during the time of my service at Princeton University, it has occurred to me that it might be helpful to you if I sent you some of my thoughts on the present situation at the Military Academy.

In the first place, I am unalterably opposed to the suggestion that because of this incident football should be abolished. It is my considered judgment that football and other competitive sports are essential parts of the education and training of our young men between the ages of 18 and 25. This is the time of life when the average young man needs the stimulation of wholesome, manly competition with his fellows and any suggestion of eliminating this kind of competition, because of possible abuses seems to me to be getting at this subject from the wrong end.

We had this problem at Princeton for many years, and we finally evolved some understanding with our principal rivals, Yale and Harvard, which it seems to me the service academies could well give consideration to. In the first place, we do not permit first-year men, that is freshmen, to play on varsity teams at all. They can have their own freshman-year teams and compete with other freshmen, but we tried to break down the continuity of the so-called professional player by not letting him play the first year with the varsity team. Also, we have a very important rule which is that only 3 years of play on a varsity team is allowed. A boy cannot stay over to take an extra year and continue to play. We have found that these regulations have been successful in preventing the undesirable forms of proselytizing,

and I think a study of the agreements between such institutions as Yale, Harvard, and Princeton, and also Cornell, Pennsylvania, Dartmouth, Williams, Brown, and the other members of the so-called Ivy League, would be helpful in this connection.

It is my judgment that while the football abuses may have had a bearing on the cheating in examinations because of the high pressure on the football boys to get by, it was not the motivating cause of the trouble. We should seek to keep our fine competitive sports above criticism by reasonable understandings between the competing colleges.

In the second place, with regard to the honor system, I am one of the most enthusiastic supporters of it, but I believe its success depends entirely on the students. At Princeton we have had it for a great many years, and it is interesting to note that it was inaugurated by Woodrow Wilson, who brought it with him from the University of Virginia. We make a great feature of this honor system with our entering classes. Immediately upon a boy entering Princeton, he with his classmates are assembled, and the honor system is explained to them, first by some member of the faculty from the faculty standpoint, and then, and more important, by an upper classman who has the responsibility for seeing that it is effective.

I have been connected with Princeton for many years, both as an undergraduate and as an observer of its activities, and in all that time I have known of only a few violations. When they occur the faculty may not even be advised. The matter is handled by the student committee and when that body finds one of their associates guilty, the offender is quietly told to leave college. The students voluntarily take collective responsibility for the "honor" of the system. No one is called upon to tell on his fellows to the authorities. The boys are the enforcers by their own choice. Reports of violations are made to the elected student supervisors.

Applying these principles to West Point, it seems to me the matter should be put up to the student body. They should be challenged as to whether or not they want a reestablishment of the honor system. It should be made perfectly clear to them that it is up to them to carry through if the system is to succeed.

My own judgment is that attention to the system at West Point has probably been too lax and with too much taken for granted. The boys have gotten into bad habits of doing things they know in their hearts to be wrong and apparently the faculty have condoned those wrongs. It seems to me there should be a full investigation and I hope a complete study can be made of honor systems which have been successful, such as at Princeton and the University of Virginia, and steps should be taken either to reestablish the system at West Point and Annapolis on a sound basis, or the student body should face the fact that they do not want it and cannot enforce it, in which case they would go back to the old monitor system. The latter, of course, would be most unfortunate, but it would be up to the boys themselves to make the decision and assume the responsibility. It is my own judgment that this matter should be decided by the boys themselves.

With regard to the offenders in this instance, it seems to the outside observer that the penalties under all the circumstances are too severe. Apparently many others have been guilty in recent years and it seems hardly just to apply penalties to boys who have confessed where others have gone scot free. But there can be no compromise with the evil of dishonesty in our armed services. These boys must find some way to atone for the wrong they have done if they are to be allowed to associate again with their fellows. This matter should be worked out among the students themselves and the terms on which

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82^D CONGRESS
1ST SESSION

H. R. 4521

[Report No. 648]

IN THE SENATE OF THE UNITED STATES

AUGUST 14 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committee on Finance

AUGUST 20 (legislative day, AUGUST 1), 1951

Reported by Mr. GEORGE, without amendment

AN ACT

To amend and extend the Sugar Act of 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 202 of the Sugar Act of 1948 is hereby amended
4 to read as follows:

5 “SEC. 202. Whenever a determination is made, pur-
6 suant to section 201, of the amount of sugar needed to meet
7 the requirements of consumers, the Secretary shall establish
8 quotas, or revise existing quotas—

9 “(a) For domestic sugar-producing areas, by appor-

tioning among such areas four million four hundred and
 forty-four thousand short tons, raw value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	1, 080, 000
Virgin Islands-----	12, 000

"(b) For the Republic of the Philippines, in the
 amount of nine hundred and fifty-two thousand short tons of
 sugar as specified in section 211 of the Philippine Trade Act
 of 1946.

"(c) For foreign countries other than the Republic of
 the Philippines, by prorating among such countries an
 amount of sugar, raw value, equal to the amount determined
 pursuant to section 201 less the sum of the quotas established
 pursuant to subsections (a) and (b) of this section, on the
 following basis:

"Country	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines-----	4

"Ninety-five per centum of the quota for foreign coun-
 tries other than Cuba and the Republic of the Philippines
 shall be prorated among such countries on the basis of the
 average amount imported from each such country within
 the quotas established for the years 1948, 1949, and 1950,
 except that a separate proration need not be established for
 any country which entered less than two per centum of

1 the average importations within the quotas for such years.
2 The amount of the quota not so prorated may be filled by
3 countries not receiving separate prorations, but no such
4 country shall enter an amount pursuant to this subsection in
5 excess of one per centum of the quota for foreign countries
6 other than Cuba and the Republic of the Philippines.

7 “(d) Notwithstanding the other provisions of this title
8 II, the minimum quota established for Cuba, including in-
9 creases resulting from deficits determined pursuant to section
10 204 (a), shall not be less than the following:

11 “(1) 28.6 per centum of the amount of sugar deter-
12 mined under section 201 when such amount is seven
13 million four hundred thousand short tons or less; and

14 “(2) two million one hundred and sixteen thousand
15 short tons, when the amount of sugar determined under
16 section 201 is more than seven million four hundred
17 thousand short tons.

18 The quotas for domestic sugar-producing areas, established
19 pursuant to the other provisions of this title II, shall be
20 reduced pro rata by such amounts as may be required to
21 establish such minimum quota for Cuba.”

22 SEC. 2. Section 204 of such Act is amended to read as
23 follows:

24 “SEC. 204. (a) The Secretary shall from time to time
25 determine whether, in view of the current inventories of

1 sugar, the estimated production from the acreage of sugar-
2 cane or sugar beets planted, the normal marketings within
3 a calendar year of new-crop sugar, and other pertinent fac-
4 tors, any area will be unable to market the quota for such
5 area. If the Secretary finds that any domestic area or
6 Cuba will be unable to market the quota for such area, he
7 shall revise the quotas for the domestic areas and Cuba by
8 prorating an amount of sugar equal to the deficit so deter-
9 mined to the other such areas on the basis of the quotas
10 then in effect. If the Secretary finds that the Republic of
11 the Philippines will be unable to market the quota for such
12 area, he shall revise the quotas for Cuba and foreign coun-
13 tries other than Cuba and the Republic of the Philippines
14 by prorating an amount of sugar equal to the deficit so
15 determined, as follows:

16 “To Cuba, 96 per centum; and

17 “To foreign countries other than Cuba and the
18 Republic of the Philippines, 4 per centum.

19 If the Secretary finds that foreign countries other than
20 Cuba and the Republic of the Philippines cannot fill the
21 quota for such area, he shall increase the quota for Cuba
22 by an amount equal to the deficit.

23 “Whenever the Secretary finds that any area will be
24 unable to fill its proration of any such deficit, he may ap-

1 portion such unfilled amount on such basis and to such areas
2 as he determines is required to fill such deficit.

3 “(b) Whenever the Secretary finds that any country
4 will be unable to fill the proration to such country of the
5 quota for foreign countries other than Cuba and the Republic
6 of the Philippines established under section 202 (c), or
7 that any part of such proration has not been filled on Sep-
8 tember 1 of the calendar year, he may apportion such un-
9 filled amount on such basis and to such countries as he
10 determines is required to fill such proration.

11 “(c) The quota or applicable proration for any domestic
12 area, the Republic of the Philippines, Cuba, or other foreign
13 countries as established under the provisions of section 202
14 shall not be reduced by reason of any determination of a
15 deficit existing in any calendar year under the provisions of
16 subsections (a) and (b) of this section.”

17 SEC. 3. Section 207 of such Act is amended by adding
18 a new subsection (h) as follows:

19 “(h) The quota for foreign countries other than Cuba
20 and the Republic of the Philippines may be filled by direct-
21 consumption sugar only to the extent of 1.36 per centum of
22 the amount of sugar determined pursuant to section 201 less
23 the sum of the quotas established in subsections (a) and (b)
24 of section 202: *Provided*, That each such country shall be

1 permitted to enter an amount of direct-consumption sugar
 2 not less than the average amount entered by it during the
 3 years 1948, 1949, and 1950.”

4 SEC. 4. Section 208 of such Act is amended to read as
 5 follows:

6 “SEC. 208. Quotas for liquid sugar for foreign countries
 7 for each calendar year are hereby established as follows:

“Country	In terms of wine gallons of 72 per centum total sugar content
Cuba-----	7, 970, 558
Dominican Republic-----	830, 894
British West Indies-----	300, 000
Other foreign countries-----	0”

8 SEC. 5. Section 411 of such Act is amended to read as
 9 follows:

10 “SEC. 411. The powers vested in the Secretary under
 11 this Act shall terminate on December 31, 1956, except that
 12 the Secretary shall have power to make payments under title
 13 III under programs applicable to the crop year 1956 and
 14 previous crop years.”

15 SEC. 6. Section 3508 of the Internal Revenue Code
 16 (relating to termination of taxes) is amended by striking out
 17 “June 30, 1953” wherever appearing therein and inserting
 18 in lieu thereof “June 30, 1957”.

19 SEC. 7. The amendments herein shall become effective
 20 January 1, 1953, except that sections 1 through 4 hereof

- 1 shall be effective for purposes of the determinations and regu-
- 2 lations required for the calendar year 1953.

Passed the House of Representatives August 13, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

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82^d CONGRESS
1ST SESSION

H. R. 4521

[Report No. 648]

AN ACT

To amend and extend the Sugar Act of 1948,
and for other purposes.

AUGUST 14 (legislative day, AUGUST 1), 1951

Read twice and referred to the Committee on Finance

AUGUST 20 (legislative day, AUGUST 1), 1951

Reported without amendment

AMENDING AND EXTENDING THE SUGAR ACT OF 1948

AUGUST 20 (legislative day, AUGUST 1), 1951.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 4521]

The Committee on Finance, to whom was referred the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

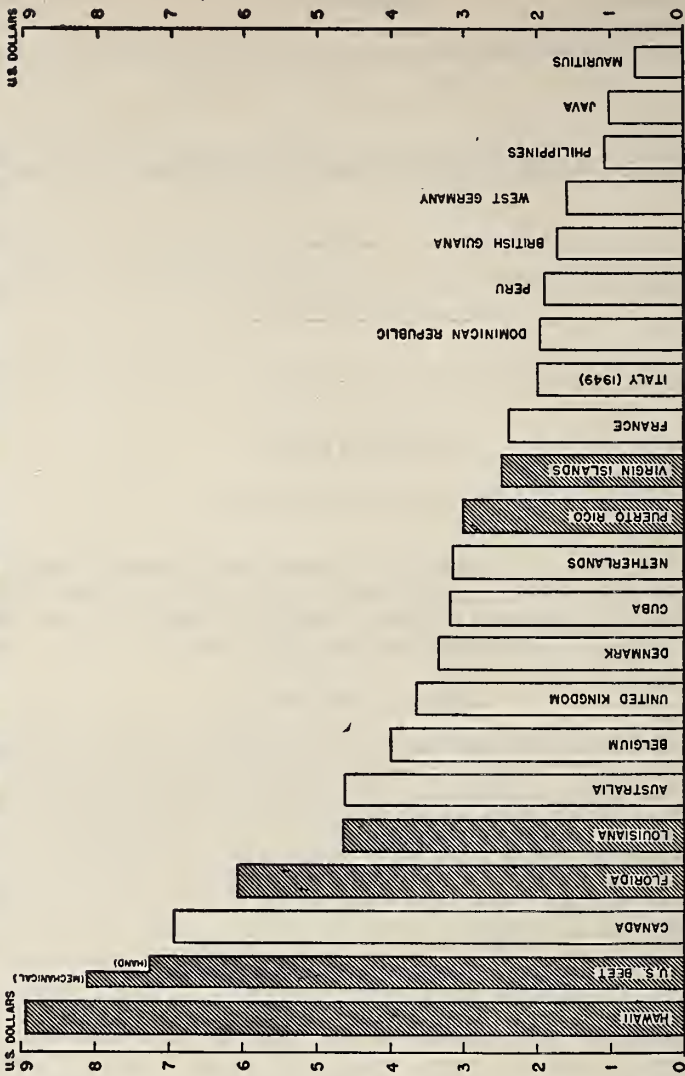
GENERAL STATEMENT

The accompanying bill reenacts, with relatively minor changes, the Sugar Act of 1948 which otherwise would terminate on December 31, 1952. The bill extends the act for 4 years, until December 31, 1956. It also amends the Internal Revenue Code by extending the applicability of the excise tax on sugar for 4 years until June 30, 1957. Changes in the Sugar Act are confined to those portions of the law relating to quotas. The major change in quotas is to increase the allocation to Puerto Rico by 170,000 tons annually, and that to the Virgin Islands by 6,000 tons. A quota of 300,000 gallons of liquid sugar is also established for the British West Indies to meet a particular situation in the molasses industry.

The allocation to the various producing areas on the mainland of the United States, and to Hawaii and the Philippine Islands, remains the same as in the existing law. A slight increase is provided in the allocation to foreign countries other than Cuba, which ship sugar into the United States, in order to restore to these countries their prewar ratio of sugar imports. Cuba's percentage share of the import trade in sugar is slightly reduced, but the actual tonnage of sugar which Cuba will ship to the United States is expected to increase, due to the fact that Cuba will receive a fixed percentage quota of an anticipated substantial increase in sugar consumption in the United States.

The provisions of the bill have been worked out in a series of conferences between producer and user groups in the sugar industry, representatives of the various sugar-producing areas, and an interdepartmental committee composed of representatives of the Depart-

SUGAR BEETS AND SUGAR CANE DAILY EARNINGS OF HARVEST WORKERS - 1950 CROP



U.S. DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

Daily earnings of harvest workers in U. S. areas are among the highest in the world.

ments of State, Interior, Commerce, Treasury, Agriculture, and the Tariff Commission. Particular consideration has been given to the matter by the Department of Agriculture, State, and Interior. In these conferences the interests of the various users and producers were carefully considered by the Government departments concerned and the bill represents a practical and equitable adjustment of those varying, and to some extent conflicting, interests.

National policy

Sugar is an essential food product, and it has long been the established policy of the United States Government—for defense and strategic reasons—to preserve within the United States the ability to

produce at least a portion of this vital food product needed by American consumers. Due to the cheap labor available in tropical countries where sugar grows most abundantly, and to the fact that sugar (either beet or cane) is produced in some quantity in almost every country in the world, it is probable that little, if any, sugar would be grown in the United States if American producers had to compete on an open world market against the cheap production in other countries. The accompanying chart shows how wages in United States sugar-producing areas compare with those in other countries.

The history of efforts to effectuate this national policy goes back almost to the first days of the Republic. For many years a tariff barrier was maintained against sugar from other countries, but this had the multiple disadvantage of arbitrarily increasing the price of sugar to consumers in the United States without assuring an adequate supply from foreign sources and at the same time leaving domestic production to be guided solely by the fluctuations of the world market in sugar. After more than a century of unsatisfactory experience with this tariff system, a quota system which prorates domestic consumption among producers in the United States and adjacent areas was developed and written into law in 1934. The quota system was revised in 1937 and again in the present act, which became effective January 1, 1948.

In 1950, under this quota system, domestic producing areas supplied 54.08 percent of the sugar consumed in the United States, as follows: Mainland beet and cane areas, 27.39 percent; Puerto Rico and the Virgin Islands, 12.85 percent; Hawaii, 13.84 percent. The Philippines supplied 5.72 percent; Cuba, 39.46 percent; and all other foreign countries, 0.74 percent.

An excise tax of 50 cents per 100 pounds and an import compensating tax at the same rate are applied to sugar in order to operate the program and equalize the cost of production in domestic and foreign producing areas. Out of the funds thus obtained, payments are made to domestic producers at a basic rate of 80 cents per hundred pounds of sugar, raw value, for the first 350 short tons of sugar produced on a farm and graduated progressively downward thereafter to a minimum of 30 cents per hundred pounds for sugar produced in excess of 30,000 short tons on a farm. Payment is made only to farmers who have complied with their marketing quotas. Those who participate in the program must also comply with regulations regarding wages and other working conditions prescribed by the Secretary of Agriculture.

Financially, the sugar program carried out under the authority of the various sugar acts has been one of the government's most successful program operations. From 1934 through the end of the fiscal year 1950, taxes collected as part of the sugar program have amounted to \$987,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program have totaled \$757,387,894, leaving an excess of taxes over expenditures, representing a net profit from the operation of the program, of \$230,364,522. On an annual basis, the average taxes collected have been a little over \$76,000,000, expenses including administration and payments have averaged about \$61,000,000, leaving a net average profit annually of almost \$16,000,000.

WORLD SUGAR SITUATION

During the past 100 years world sugar production has risen from less than 3 million tons to over 40 million tons annually, including 5,700,000 tons of noncentrifugal sugar which is consumed almost entirely in the areas where it is produced. Three-fourths of this increase has come in the present century. World production has doubled since 1920. As a result of these tremendous increases in supplies, sugar has ceased to be a luxury product and has become the cheapest food, on a calorie basis, of any important food product.

The following table shows world sugar production for the past 15 years.

Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1940-44, and annual 1947-50^{1 2}

Continent and country	Average		1947	1948	1949	1950
	1935-39	1940-44				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America (cane):						
British Honduras	1	1	1	1	2	2
Canada	76	98	89	104	120	155
Costa Rica	9	15	23	28	23	25
El Salvador	18	23	33	28	30	35
Guatemala	19	24	30	37	38	40
Honduras	2	1	2	2	6	6
Mexico	354	450	714	754	712	800
Nicaragua	9	15	20	22	23	25
Panama	5	5	13	14	16	16
United States:						
Beet	1,518	1,451	1,832	1,370	1,564	1,950
Cane	474	429	376	477	520	525
Antigua	22	22	14	21	35	37
Barbados	133	108	65	152	161	165
Cuba	3,183	3,686	6,675	5,763	6,126	6,300
Dominican Republic	491	494	465	527	524	560
Grenada	1	1	1	1	1	1
Guadeloupe	60	51	31	50	72	75
Haiti	44	47	47	49	56	60
Jamaica	119	175	216	266	306	325
Martinique	65	36	25	30	41	65
Puerto Rico	974	961	1,108	1,277	1,286	1,275
Trinidad and Tobago	148	102	130	178	165	185
Virgin Islands of the United States	6	4	4	4	4	4
St. Kitts	36	36	36	41	46	50
St. Lucia and St. Vincent	9	9	10	13	14	15
Total North America	7,776	8,244	11,960	11,209	11,891	12,696
Europe (beet):						
Austria	196	128	44	58	74	115
Belgium	259	253	153	295	378	440
Bulgaria	24	47	21	82	60	45
Czechoslovakia	715	680	387	699	690	800
Denmark	257	232	243	292	355	400
Finland	13	6	9	21	25	30
France	1,059	643	732	1,058	972	1,350
Germany:						
Western zone	620	650	404	681	689	900
Eastern zone	1,000	950	459	750	612	850
Hungary	139	197	171	267	292	240
Ireland	89	103	75	106	110	112
Italy	426	422	270	502	556	600
Netherlands	257	212	246	315	441	450
Poland	1,000	870	606	765	909	1,000
Rumania	99	82	90	124	127	100
Spain	209	164	165	315	207	230
Sweden	340	318	268	321	321	350
Switzerland	13	22	26	30	29	30
United Kingdom	527	560	534	696	575	725
Yugoslavia	95	75	94	105	110	110
Total Europe (excluding U. S. S. R.)	7,337	6,614	4,997	7,482	7,532	8,877
U. S. S. R. (Europe and Asia) (beet)	2,761	1,350	1,700	2,000	2,200	2,300

See footnotes at end of table, p. 5.

Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1940-44, and annual 1947-50^{1 2}—Continued

Continent and country	Average		1947	1948	1949	1950 ³
	1935-39	1940-44				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Asia (cane):						
Iran (heet).....	21	27	63	43	34	56
Turkey (beet).....	76	103	118	145	165	147
Burma.....	27	18	20	13	7	7
China.....	438	402	380	400	300	300
Manchuria (heet).....	14	25		9	6	10
French Indochina.....	76	79	15	17	7	6
India.....	1,300	1,410	1,416	1,319	1,251	1,560
Japan (beet).....	⁴ 167	⁵ 134	24	21	28	30
Formosa.....	1,202	921	290	697	675	450
Pakistan.....	30	30	30	49	49	55
Indonesia.....	1,447	953	100	249	300	500
Philippine Islands.....	1,058	320	398	729	680	1,000
Siam.....	21	15	32	37	35	40
Total Asia.....	5,877	4,437	2,886	3,728	3,537	4,161
South America (cane):						
Argentina.....	480	480	668	623	605	675
Brazil.....	786	958	1,496	1,549	1,500	1,550
British Guiana.....	209	189	194	196	222	225
Colombia.....	50	79	127	162	187	190
Ecuador.....	24	32	40	48	54	56
Paraguay.....	7	13	18	14	19	19
Peru.....	430	463	520	518	475	500
Surinam.....	19	10	6	5	8	5
Uruguay (heet).....	2	1	2	2	4	4
Venezuela.....	19	34	31	48	57	65
Total South America.....	2,026	2,260	3,101	3,165	3,131	3,289
Africa (cane):						
Belgian Congo.....	14	17	19	18	14	15
Kenya.....		13	12	15	14	14
Tanganyika.....	63	9	8	7	9	9
Uganda.....		55	67	76	54	50
Egypt.....	167	190	245	210	193	200
Madagascar.....	13	14	8	13	16	18
Madeira Islands and Azores.....	9	5	8	8	8	8
Mauritius.....	321	330	384	432	459	490
Mozambique.....	79	76	88	83	110	115
Angola.....	38	54	49	61	55	57
Reunion.....	92	60	98	86	118	130
Union of South Africa.....	478	550	512	608	561	600
Total Africa.....	1,274	1,373	1,498	1,617	1,611	1,706
Oceania (cane):						
Australia.....	894	761	678	1,056	1,050	1,157
Fiji.....	143	115	156	149	143	115
Hawaiian Islands.....	980	880	835	956	960	1,085
Japanese Mandated Islands.....	69	30	0	0	0	0
Total Oceania.....	2,086	1,786	1,669	2,161	2,153	2,357
Total, cane.....	17,310	16,371	19,007	20,208	20,430	21,887
Total, heet.....	11,827	9,693	8,804	11,154	11,625	13,499
World total, heet and cane.....	29,137	26,064	27,811	31,362	32,055	35,386

¹ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.

² Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.

³ Preliminary.

⁴ Includes a small amount of cane sugar.

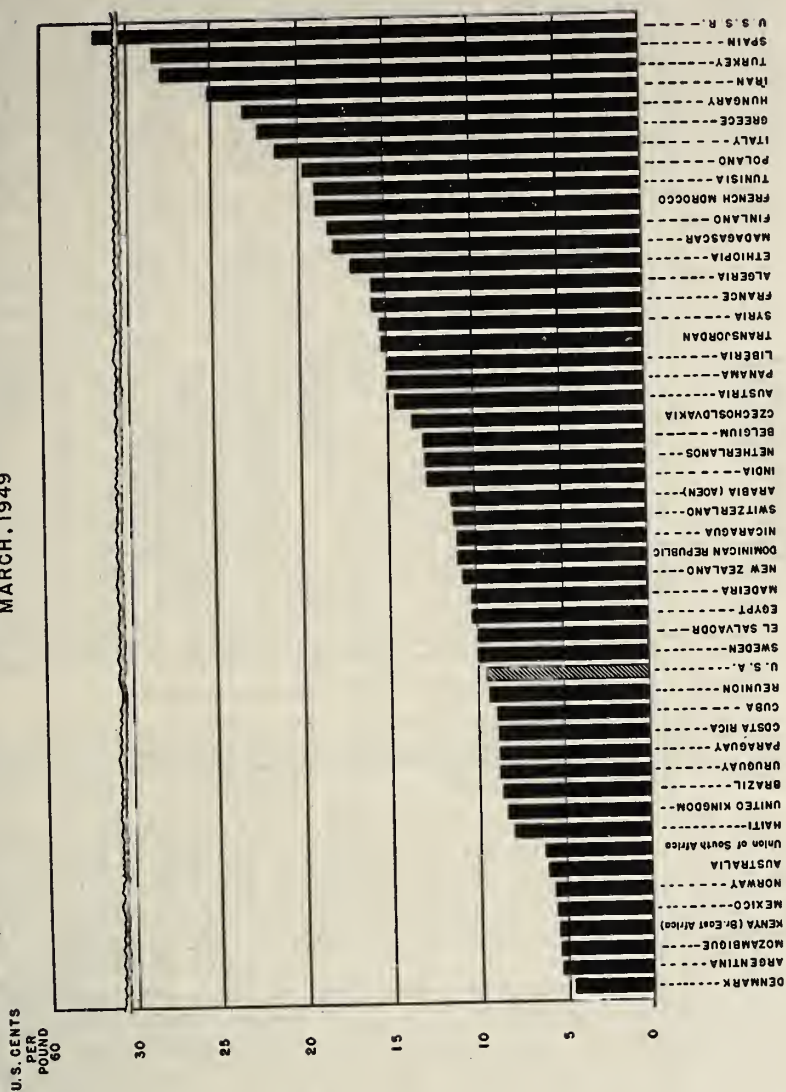
⁵ Cane and heet.

Source: Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U. S. Foreign Service officers, results of office research and other information. Estimates of countries having boundary changes have been adjusted to postwar boundaries except as noted.

The price effects of the increases in world production have been intensified by several conditions affecting production and consumption. A part of the increase in world production has resulted from the natural development of producing areas. However, production has been stimulated by very low wages in many tropical areas, by excessive protection in many consuming countries, and by direct and indirect export subsidies. Almost every country in the world has made sugar the subject of some kind of special legislation. Because of these conditions, declines in world prices have tended to have only a slight effect, if any, in restraining world production. On the other hand, declines in world prices have failed to stimulate world consumption fully because of the high levels at which prices are maintained in many consuming countries. In two-thirds of the countries for which retail price data are available, prices in March 1949 were from around 2 cents to 20 cents per pound above world prices. The average 1948 consumption for such countries was only 36 pounds per capita, and for the 14 countries having the highest prices, consumption was only 25 pounds per capita, compared with 93 pounds, refined value, that year in the United States.

In the 10 years ending in 1933, production in the present domestic areas as a whole nearly doubled, and receipts from the Philippines were multiplied nearly five times. These increased supplies, together with the decline in per capita consumption in the late 1920's and early 1930's caused a drop in United States imports of sugar. Imports from Cuba fell more than 50 percent, with disastrous effects on the Cuban economy. Since 1934 domestic production has fluctuated considerably, but it has averaged 3.9 million tons, the level it attained in 1933. Low production in the domestic areas during the war years resulted from various shortages, from the diversion of land to crops considered more essential to the war effort and, in the case of Hawaii, from direct war activities.

RETAIL PRICES OF REFINED SUGAR IN SELECTED COUNTRIES
(U.S. CENTS PER POUND)
MARCH, 1949



HISTORICAL DEVELOPMENT

Historically the United States has had significant tariffs on sugar. Although these tariffs have been moderate in comparison with the tariffs and other protective measures existing in many foreign countries, they nevertheless have artificially stimulated production in our domestic areas and the Philippine Islands. By 1933 it had become evident that tariff protection alone was not an effective or satisfactory means of assuring an adequate sugar supply at fair prices and that some type of quota system was needed for both the domestic sugar-producing industry and the Cuban industry. The following table shows United States tariff rates on sugar from 1789 to 1951. Under the sugar act the tariff has been reduced to 0.5 cent per pound on Cuban sugar and 0.625 cent per pound on sugar from full-duty countries.

Raw sugar: United States tariff rates, 1789-1951

Years	Tariff rate	Years	Tariff rate	Years	Tariff rate
	<i>Cts. per lb.</i>		<i>Cts. per lb.</i>		<i>Cts. per lb.</i>
1789-90	1	1855	30% = 1.56	1895	40% = .87
1790-97	1.5	1856	30% = 1.82	1896	40% = .93
1797-1800	2	1857	30% = 2.21	1897	40% = .80
1800-16	2.5	1858	30% = 1.56	1897-1913	1.685
1816-32	3	1859	30% = 1.50	1914-21 ²	1.0048
1832-46	2.5	1860	30% = 1.56	1921-22	1.60
1846	¹ 30% = 2.15	March 1861	.75	1922-30	1.7648
1847	30% = 1.76	August 1861-62	2.50	1930-34	2.0
1848	30% = 1.79	1862-64	3.00	1934	1.5
1849	30% = 1.43	1864-70	3.50	1934-39	.9
1850	30% = 1.50	1870-75	2.75	September-December 1939	1.5
1851	30% = 1.50	1875-83	3.4375	1939-42	.9
1852	30% = 1.30	1883-90	2.75	1942-47	4.75
1853	30% = 1.43	1890-94	(³)	1948-51	.50
1854	30% = 1.30	1894	¹ 40% = .98		

¹ 30 percent and 40 percent, respectively, of raw sugar prices, c. i. f. London as reported in Doerr, *The History of Sugar*, p. 531, and converted from shillings per British hundredweight (112 pounds) to cents per 100 pounds.

² Cuban rate used for the period since 1914, since this has been the effective rate.

³ Free (2 cents) bounty.

⁴ Tariff suspended May 1944 to December 1946 under Executive Order No. 9177, 7 F. R. 4195.

Source: Sugar reports No. 5, June-July 1949, pp. 30-35. Where tariff rate is based on Dutch standard, rate applicable from No. 13 to No. 15 was taken, except for 1862, where rate applicable to raw sugar and sugars not above No. 12 Dutch standard was used.

The first big step away from tariffs as the instrument of national sugar policy was the Jones-Costigan Sugar Act, adopted in 1934 as an amendment to the Agricultural Adjustment Act of 1933. It provided for an excise tax on sugar, for benefit payments to growers, and for the control of domestic production and imports. The Sugar Act of 1937 provided for an excise tax at the rate of one-half cent per pound, raw value, and for payments to growers on condition that marketings of sugar beets and sugarcane were kept within specified limits, that producers paid fair wages and employed no child labor, and that producers who are also processors paid fair prices for sugarcane or sugar beets purchased. Marketings for the domestic areas were not to exceed 55.59 percent of total domestic requirements, except that domestic marketings were not to be reduced below a total of 3,715,000 tons. The remaining domestic requirements were to be supplied by imports.

The Sugar Act of 1948 followed the major outlines of the Sugar Act of 1937, but incorporated several important changes to afford relief

from the depression which was expected to strike the Cuban sugar industry between 1948 and 1952. Fixed maximum quotas were established for the domestic areas and the Republic of the Philippines so that these areas would not participate during this specified period in the increase in domestic consumption. The Sugar Act of 1948 requires that our imports from foreign countries, other than the Republic of the Philippines, be supplied to the extent of 98.64 percent from Cuba and 1.36 percent from full-duty countries. The act also provides that Cuba shall share proportionately with domestic areas in the deficit resulting from the failure of any domestic area to fill its quota. Finally, Cuba was given 95 percent of the Philippine deficits. Full-duty countries, which formerly received all of the Philippine deficit, were given 5 percent of such deficit under the Sugar Act of 1948.

By giving Cuba essentially all of the deficits of the Philippines, which clearly would be large during the early postwar period, and by making Cuba the beneficiary of practically all increases in United States consumption until the end of 1952, it was believed that Cuba would be assured of a sufficient market in the United States to minimize the effects on the Cuban sugar industry of the anticipated decline in world demand. It was emphasized that the Sugar Act of 1948 was designed to meet problems of the temporary postwar transition period and was not to be regarded as the establishment of long-time national sugar policy. Actually, of course, the anticipated depression did not occur. The estimated value of the 1951 Cuban crop is over 700 million dollars and is second only to the value of the 1920 crop which, because of inflationary prices that year, sold for approximately 1 billion dollars. The four crops produced by Cuba since the Sugar Act of 1948 has been in effect have had an average value of \$580,000,000, the highest for any four consecutive crops on record. The value of the 1933 crop, for comparison, was \$44,000,000.

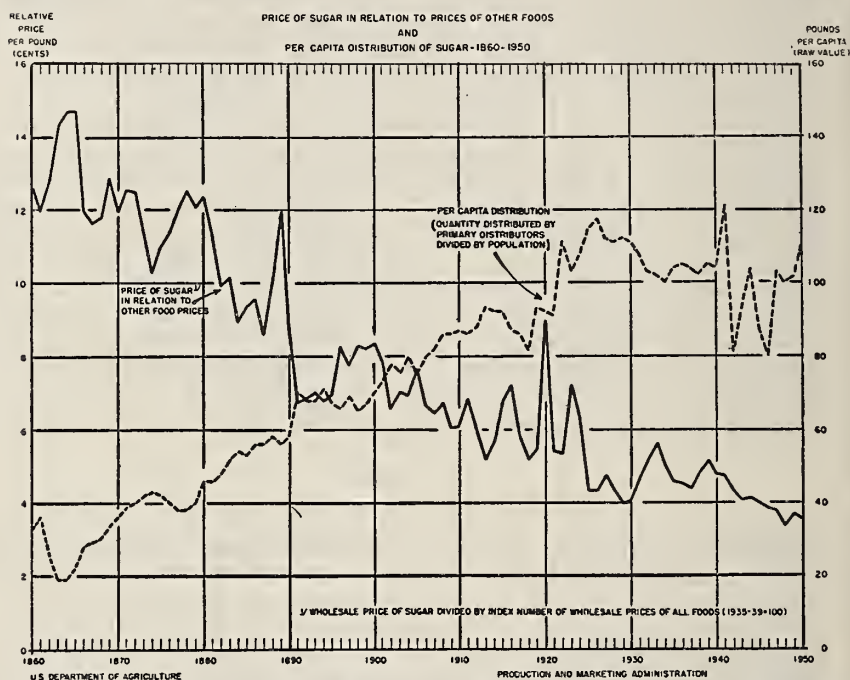
SUGAR PRICE

The sugar acts have been of great benefit both to consumers and producers in stabilizing domestic sugar prices and production. The legislation has assured producers of a market for a specified production of sugar at fair prices; it has assured consumers of adequate supplies of this essential food at prices which are not only fair but far lower than those prevailing in virtually any other country in the world which does not reduce the price of sugar artificially by means of a consumer subsidy. The following chart shows sugar consumption in the United States and the price of sugar compared to the price of other foods.

Because of the special subsidies, tariffs, and other restrictions which are applied to sugar in almost every country, there is relatively little sugar on the free world market. Consequently, the world market price of sugar gyrates sharply and is extremely susceptible to surplus and deficit conditions. The sugar acts have operated effectively to protect growers of the United States sugar supply during periods of depression in the world sugar market. Conversely, this legislation has operated effectively to keep domestic sugar prices below world prices in times of sharp increases in the world market price of sugar.

This has been the case during most of the past year. At the peak of prices in June of this year, the world sugar price was \$2.30 per hundred pounds above the price of United States quota sugar, f. a. s. Cuba.

Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history in comparison with prices of all foods. In relation to per capita disposable income, sugar prices have been maintained at approximately the low level established during the war years when the Commodity Credit Corporation spent \$133,000,000, in addition to the benefits of free duty entry equivalent to \$113,000,000, in paying subsidies and absorbing losses to maintain low sugar prices to consumers. The following table shows wholesale sugar prices and their relation to the price of other foods and to per capita disposable income from 1860 to June 1951.



Until 1926 the decline in sugar prices relative to the prices of other foods was accompanied by increased per capita sugar distribution. Since that time the relative decline in sugar prices has continued without an evident increase in per capita distribution. Per capita consumption appeared to be relatively stable in the late 1930's. During the war it depended upon the availability of supplies.

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1860	9.78	78		12.54	
1861	8.75	73		11.99	
1862	11.16	87		12.83	
1863	14.28	100		14.28	
1864	22.56	154		14.65	
1865	21.56	147		14.67	
1866	16.68	141		11.97	
1867	15.78	136		11.60	
1868	16.32	139		11.74	
1869	16.19	126		12.85	
1870	13.53	113		11.97	
1871	13.28	106		12.53	
1872	12.37	99		12.49	
1873	11.34	100		11.34	
1874	10.56	103		10.25	
1875	10.72	98		10.94	
1876	10.47	92		11.38	
1877	11.31	94		12.03	
1878	9.48	76		12.47	
1879	8.78	73		12.03	
1880	9.60	78		12.31	
1881	9.67	86		11.24	
1882	9.23	93		9.92	
1883	8.51	84		10.13	
1884	6.78	76		8.92	
1885	6.44	69		9.33	
1886	6.12	64		9.56	
1887	6.01	70		6.59	
1888	7.01	70		10.01	
1889	7.64	64		11.94	
1890	6.17	70		8.81	
1891	4.64	69		6.72	
1892	4.35	64		6.80	
1893	4.84	69		7.01	
1894	4.12	61		6.75	
1895	4.15	60		6.92	
1896	4.53	55		8.24	
1897	4.50	58		7.76	
1898	4.96	60		8.27	
1899	4.92	60		8.20	
1900	5.32	64		8.31	
1901	5.05	64		7.89	
1902	4.46	68		6.56	
1903	4.64	66		7.03	
1904	4.77	69		6.91	
1905	5.26	69		7.62	
1906	4.52	68		6.65	
1907	4.65	72		6.46	
1908	4.96	74		6.70	
1909	4.76	79		6.03	
1910	4.97	82	63	6.06	7.89
1911	5.34	78	63	6.85	8.48
1912	5.04	85	67	5.93	7.52
1913	4.28	82	69	5.22	6.20
1914	4.68	82	68	5.71	6.88
1915	5.56	82	71	6.78	7.83
1916	6.86	95	82	7.22	8.37
1917	7.66	132	98	5.80	7.82
1918	7.83	151	108	5.19	7.25
1919	9.00	164	122	5.49	7.38
1920	15.55	174	126	8.94	12.34
1921	6.19	114	99	5.43	6.25
1922	5.93	111	104	5.34	5.70
1923	8.41	117	119	7.19	7.07
1924	7.31	115	118	6.36	6.19
1925	5.45	126	123	4.33	4.43
1926	5.46	126	126	4.33	4.33

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951—Continued

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (wholesale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	<i>Cts. per lb.</i>			<i>Cts. per lb.</i>	<i>Cts. per lb.</i>
1927	5.79	122	124	4.75	4.67
1928	5.52	128	126	4.31	4.38
1929	5.03	126	132	3.99	3.81
1930	4.62	114	117	4.05	3.95
1931	4.43	95	99	4.66	4.47
1932	3.99	77	75	5.18	5.32
1933	4.32	77	70	5.61	6.17
1934	4.44	89	80	4.99	5.55
1935	4.86	106	89	4.58	5.46
1936	4.69	104	101	4.51	4.65
1937	4.73	108	108	4.38	4.38
1938	4.48	93	98	4.82	4.57
1939	4.57	89	104	5.13	4.39
1940	4.34	91	112	4.77	3.88
1941	4.92	104	134	4.73	3.67
1942	5.44	126	169	4.32	3.22
1943	5.49	135	189	4.07	2.90
1944	5.46	133	208	4.11	2.62
1945	5.39	135	211	3.99	2.55
1946	6.34	166	219	3.82	2.89
1947	8.12	214	229	3.79	3.55
1948	7.61	227	251	3.35	3.03
1949	7.81	204	245	3.83	3.19
1950	7.84	210	260	3.73	3.02
1951—January	8.08	230		3.51	
February	8.08	237		3.41	
March	8.08	236		3.42	
January-March average	8.08	234	¹ 273	3.45	2.96
April	8.08	235		3.44	
May	8.23	237		3.47	
June	8.42	236		3.57	
April-June average	8.24	236	¹ 277	3.49	2.97

¹ Preliminary—at annual rate.

SOURCES

Column 2:

1860-99: Palmers Sugar Manual, Concerning Sugar.

1900-51: Lamborn Sugar Market Report.

Column 3:

1860-1909: Wholesale Prices for 213 Years, Warren and Pearson.

1910-51: Bureau of Labor Statistics, index numbers based on 1926 converted to 1935-39=100.

Column 4:

1910-28: Estimates by BAE.

1929-51: Computed by BAE from data of U. S. Department of Commerce; published in the Livestock and Meat Situation.

Column 5: Column (2) divided by column (3).

Column 6: Column (2) divided by column (4).

Full-duty quota

One of the changes made in the 1948 act by this bill is to increase moderately the sugar quota for the full-duty countries from which United States imports sugar. These are the countries other than Cuba and the Philippines. Under the provisions of the Sugar Act of 1948, the Philippines receives a stipulated tonnage quota, as do the domestic-producing areas. This bill makes no change in the Philippine quota. Under the 1948 act, Cuba receives a quota equivalent to 98.64 percent of the estimated United States requirement remaining after the specific quotas to the domestic areas and the Philippines

have been allocated. The other countries, referred to as the full-duty countries, received a quota aggregating 1.36 percent of the sugar assignable to import countries. Under the terms of the bill herewith reported, the import quotas are to be divided 96 percent to Cuba and 4 percent to the full-duty countries.

This change merely restores the full-duty countries to the relative position they occupied prior to the war. At that time, in the years 1937 through 1941 (following which sugar quotas were suspended), these countries provided 3.97 percent of our dutiable sugar imports. Cuba supplied the balance, 96.03 percent.

During the war and immediate postwar period, sugar production in Cuba was greatly expanded at our request, in order to meet the increased sugar needs of the United States and its allies. In the Sugar Act of 1948, therefore, it seemed reasonable to the committee to give Cuba for a temporary period an unusually large share of United States import market, so that it might have a few years in which to readjust its economy.

Cuba has now had ample time to readjust its economy, and the committee believes that the prewar position of the full-duty countries should be restored. Because of the increased consumption in the United States, larger quotas can now be given to the full-duty countries without injury to Cuba. With the quotas for domestic areas other than Puerto Rico and the Virgin Islands remaining the same as under the 1948 act, the anticipated increased consumption in the United States will actually result in larger quotas for Cuba than in previous years.

Puerto Rican production

The bill increases the quota for Puerto Rico from 910,000 tons annually under the 1948 act, to 1,080,000 tons. In addition, Puerto Rico produces and refines its own sugar for domestic consumption, currently about 110,000 tons per year. While the increase of 170,000 tons in the Puerto Rico quota will not absorb the entire sugar production of which the island is capable in good crop years, it is believed that it will substantially improve the situation of producers in Puerto Rico.

With reference to the question of increasing the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota, the committee feels that quotas on refined or direct-consumption sugar are part of the comprehensive philosophy of the Sugar Act of 1948, which places restrictions on every segment of the domestic industry, and should not be considered separately. The quotas for each unit of the domestic industry are so interrelated in the production and distribution of both raw and refined sugar that a change in one would require a reconsideration of all. The committee agrees generally with the statement made before the committee by the representatives of the domestic sugar industry "that the fabric of the law is one piece, that it makes a complete and indivisible whole, and that, because of the interdependence of its provisions and certain results, a single subject, such as for example the size of an insular refined quota, cannot be divided for separate consideration." However ample protection is afforded all areas in that the duration of the proposed legislation is for only 4 years.

Molasses imports

During the hearings on this bill, representations were made to the committee regarding the difficulties encountered by those who import molasses into the United States, and an amendment was proposed which would have changed the definition of liquid sugar embodied in the 1948 act (in which no change is made by this bill) so as to liberalize the definition of molasses. Under the present law, sugar-bearing liquids are classified as molasses if they contain 6 percent or more of soluble nonsugar solids. If they contain less than 6 percent of soluble nonsugar solids they are classified as liquid sugar. The duty on liquid sugars is comparable to that of crystalline sugar and is somewhat higher than the duty on molasses.

It was pointed out to the committee that some of the sugar-containing liquids which are imported and sold as molasses contain a relatively low percentage of soluble nonsugar solids, even though they have the color, taste, and aroma characteristically associated with molasses. This is particularly true, it was pointed out, of high quality molasses from Barbados, one of the islands of the British West Indies. Molasses from Barbados is an essential ingredient of some of the popular brands of molasses commonly sold at retail in the United States. When brought into this country it frequently shows a soluble nonsugar solid content of less than 7 percent—very close to the dividing line between molasses and liquid sugar.

If a shipment of molasses is offered for import and found to contain less than 6 percent soluble nonsugar solids, the importer has several alternatives if the molasses is from an area, such as Cuba, which has a liquid-sugar quota: He can bring the molasses in by paying the duty applicable to liquid sugar; he can combine the molasses in bond with molasses having a sufficiently high soluble nonsugar content, to bring the percentage of the mixture up to the molasses standard and then move the molasses through customs; or he can, of course, send the shipment back for adjustment in the producing area. In the case of molasses offered for import from Barbados, the importer has only two of these alternatives since there is no present liquid-sugar quota for the British West Indies: He must either mix the molasses before entry, so that it will come in as molasses; or he must reject the shipment. The liquid-sugar quota of 300,000 gallons annually which is included in the bill will relieve this situation. If a shipment of Barbados molasses arrives for entry and is found to fall within the classification of liquid sugar, the importer will not have to refuse it or mix it with other molasses, but can bring it into the United States by paying the liquid-sugar duty. The quantity (300,000 gallons) is believed to be large enough to take care of any such situation which is likely to arise.

ANALYSIS OF THE BILL

Quotas

The first section of the bill provides for revisions in section 202 of the act with respect to domestic and foreign quotas. The revisions of

domestic quotas and the general principles involved in the quota revisions have been discussed at length above. The net result of quota changes is to give Puerto Rico an additional 170,000 tons, the Virgin Islands an additional 6,000 tons, and to restore the quota of the full-duty countries to 4 percent of our total import requirements from foreign countries.

The quota for full-duty countries (other than Cuba and the Republic of the Philippines) has under previous legislation been prorated on the basis of a regulation which was based on imports received from such countries in the years 1926, 1929, and 1930. As a result, prorations were made to 27 countries, of which only 6 have supplied significant quantities in recent years. Therefore, it has been necessary for the Secretary of Agriculture to revise such prorations as of September 1 each year to make the quota available to the countries that might fill it. The bill provides that 95 percent of the full-duty quota be prorated among the six countries supplying significant amounts of sugar to the United States in recent years on the basis of average quantities received from such countries during the period 1948 to 1950, inclusive. The remaining 5 percent constitutes a reserve, which will be applicable to sugar from any other country, except that no one country will be permitted to utilize more than one-fifth of such reserve.

The quota for Cuba constitutes 96 percent of the total United States requirements in excess of the quantities supplied under the fixed quotas for the domestic areas and the Republic of the Philippines. Cuba, therefore, remains the principal beneficiary of increased sugar consumption in the United States.

A minimum quota is established for Cuba, amounting to 28.6 percent of total sugar requirements when such requirements are 7,400,000 tons, raw value, or less, or 2,116,000 short tons, raw value, when the total amount of United States sugar requirements exceeds 7,400,000 tons.

Proration of deficits

Section 2 of the bill amends section 204 of the Sugar Act, which relates to the proration of deficits. Subsection (a) provides that deficits may be declared in December when total requirements must be determined for the ensuing year. This addition will enable the Department of Agriculture to establish quotas promptly. This should be of particular benefit to importers and foreign producers. This subsection also eliminates a provision which prevents domestic areas from participating in deficits when total requirements are less than 7,000,000 short tons. With domestic requirements now placed at 8,250,000 tons, this provision has become obsolete. The bill provides for the proration to Cuba of possible deficits in quotas for full duty countries and for the proration of 96 percent of future Philippine deficits to Cuba, and 4 percent to full-duty countries, in accordance with the distribution of basic quotas. This section is also revised to omit reference to the form in which Philippine deficit

sugar may be entered, since that is covered by a later provision of the bill. Finally, this subsection provides a simplified procedure for utilizing deficits if areas to which they are initially assigned are unable to supply the sugar.

Subsection (b) permits a revision to be made in the proration for full-duty countries as soon as it becomes evident that a deficit will occur, but would continue to permit unfilled balances to be prorated on September 1. The requirement that a country fill its proration by September 1 to qualify for an additional quota is eliminated if the country can show it has the ability to fill such quota.

Subsection (c) merely clarifies the meaning of the existing section by inserting the words, "or applicable proration" after the words "the quota."

Entry of direct-consumption sugar

Section 3 of the bill adds a new subsection (h) to section 207 of the act, which limits the quantities of direct-consumption sugar which may be brought into the continental United States from offshore areas. The new subsection results in the same limitations on imports of direct-consumption sugar as those provided in the Sugar Act of 1948, even though revisions are made in the quotas. Provision is also made to assure to each full-duty country the opportunity of entering as much direct-consumption sugar as it entered on the average during the years 1948, 1949, and 1950.

Liquid-sugar quotas

Section 4 provides a liquid-sugar quota of 300,000 gallons for the British West Indies. This will permit the importation of Barbados fancy molasses which meets the qualifications of liquid sugar.

Period for which the bill is effective

Section 5 provides for termination of the act on December 31, 1956, except that the Secretary shall have power to make payments under title III on programs applicable to the crop year 1956 and previous crop years.

Section 6 extends to June 30, 1957, the period during which the excise tax is applicable to sugar.

Section 7 makes the bill effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1948¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of 1948".

TITLE I—DEFINITIONS.

SEC. 101. For the purposes of this Act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or

¹ Section 7 of the bill provides that the amendments therein shall become effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

Sec. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during the calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

Sec. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas [4,268,000] *four million four hundred and forty-four thousand* short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar-----	1, 800, 000
Mainland cane sugar-----	500, 000
Hawaii-----	1, 052, 000
Puerto Rico-----	[910, 000] 1, 080, 000
Virgin Islands-----	[6, 000] 12, 000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such [areas] *countries* an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

[Area] Country	Per centum
Cuba-----	[98. 64] 96
Foreign countries other than Cuba and the Republic of the Philippines-----	[1. 36] 4

[The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment

Act, as amended.] *Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than two per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of one per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.*

(d) [Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.] *Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:*

(1) *28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and*

(2) *two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.*

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

[(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: Provided further, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.*]

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time [during the calendar year,] determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any [domestic] area[, the Republic of the Philippines, or Cuba,] will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect[: *Provided, however, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value*]. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for Cuba and foreign countries

other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba.....	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.】

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

(b) 【If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.】 *Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.*

(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section [204].

【(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.】

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas

(h) *The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72 percent total sugar content
Cuba	7, 970, 558
Dominican Republic	830, 894
British West Indies	300, 000
Other foreign countries	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however,* That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially

recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundredweight of such portion
350 to 700	\$0. 05
700 to 1,000 10
1,000 to 1,500 20
1,500 to 3,000 25
3,000 to 6,000 275
6,000 to 12,000 30
12,000 to 30,000 325
More than 30,000 50

(d) Application for payment shall be made by, and payments shall be made to the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however*, That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further*, That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate

in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purpose of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1952] 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1952] 1956 and previous crop years.

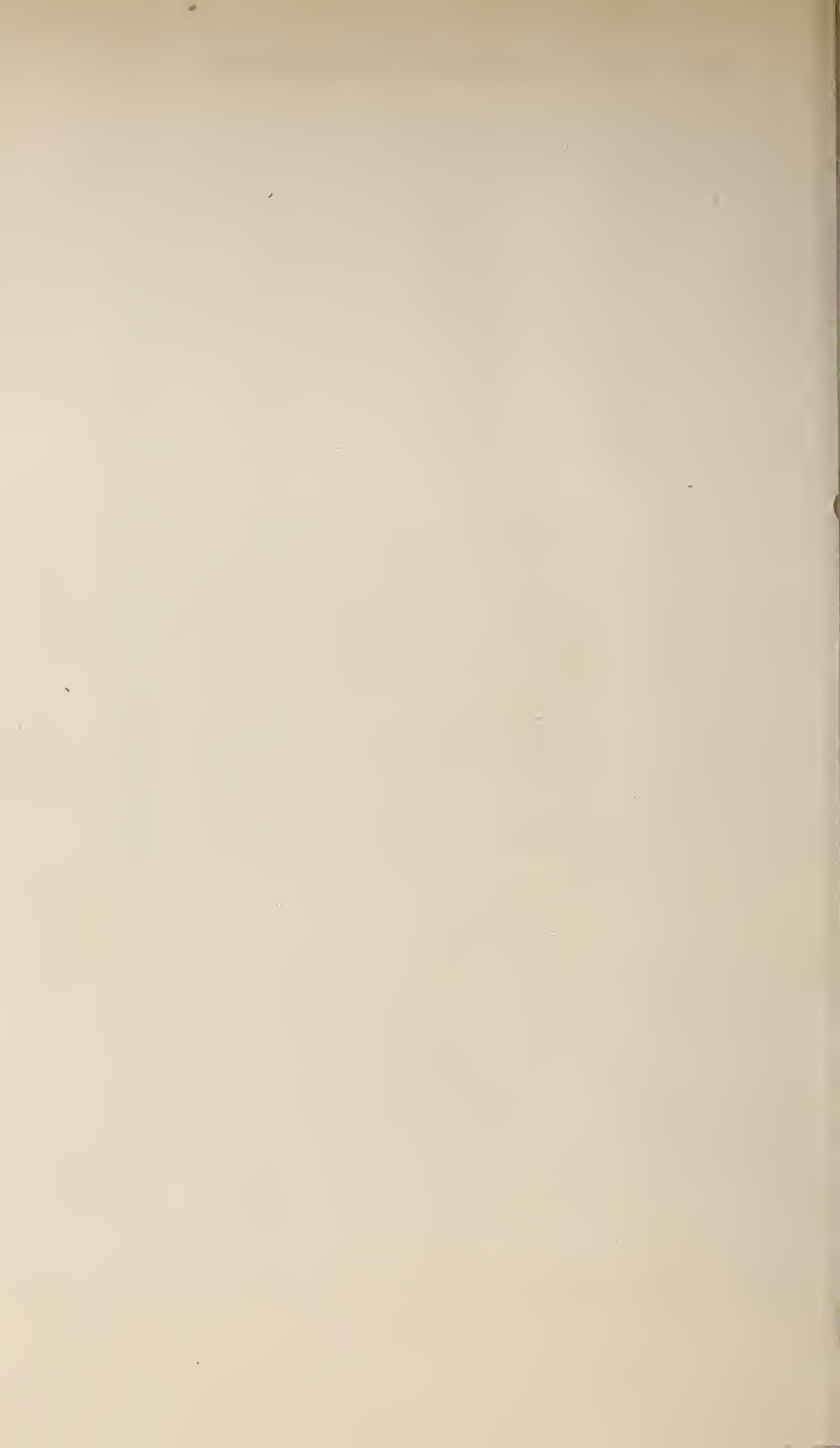
AMENDMENT TO INTERNAL REVENUE CODE

CHAPTER 32—SUGAR

SEC. 3508. TERMINATION OF TAXES

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1953] 1957. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, [1953] 1957, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, [1953] 1957, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.



stituents in California who have raised a question as to the effect of this bill on complaints issued by the Board following the Highland Park decision, on the ground that, at the time the complaints were issued, the parent CIO was not in compliance with the non-Communist affidavit requirement. I am informed with respect to one case in particular, involving a large number of employees and a large amount of back pay, that, on the basis of the decision in the Ohio Oil Co. case, that particular case has been dismissed by the Board, by reason of the Highland Park rule.

Several of the employees, as well as officials of the company, have written to me. I have informed them that, in my opinion, this bill has no effect whatever on the pending cases. I wonder whether the Senator from Minnesota agrees with that interpretation.

Mr. HUMPHREY. I fully agree with the interpretation which has been made by the Senator from California, in his reply to his constituents. I have checked this matter, as the Senator knows, with the attorneys for the National Labor Relations Board, as well as with the legal counsel for our committee, and they have all assured me that this bill would have no effect one way or other on complaints which are dismissed on the basis of non-compliance. This bill is directed, as I pointed out earlier, toward validating the representation elections and the union-shop elections, under section 9 of the Labor-Management Relations Act.

Mr. NIXON. I am glad to note that the Senator agrees with that interpretation, because, as I now understand, the Ohio Oil Co. case, and all similar complaint cases, dismissed pursuant to the Highland Park rule, because the charging union was not in compliance when the complaint was issued, would be in exactly the same position, if this bill becomes the law, as before.

Mr. HUMPHREY. The Senator is correct again in his conclusion. I should like to make it clear to him, however, that the oil workers should not be penalized because the CIO or the National Labor Relations Board took the position they did regarding the non-Communist affidavits. Personally, I believe that the general counsel of the National Labor Relations Board should issue a new complaint. That is my own personal opinion. But this bill—and I want this to be quite clear, so that the legislative history will be as it should be—this bill does not prejudge the general counsel's action, one way or other. In other words, those cases are separate entities, removed from the purview of this bill.

Mr. NIXON. When the Senator from Minnesota suggests that the Board might well issue a new complaint I think he will agree with me that it is not in any way, as he has indicated, prejudging the merits of the complaint.

Mr. HUMPHREY. I said that.

Mr. NIXON. Yes. I agree with the Senator. I think the issue should be solved and resolved one way or the other.

Mr. HUMPHREY. That is correct.

Mr. NIXON. But I also think it is important for us to recognize that, so far as this bill is concerned, it in no way

affects the merits or the potential decision which may be made in a pending case.

Mr. HUMPHREY. The Senator is correct; and as I stated to the minority leader and to the Senator from Georgia, this particular bill pertains to the representation and the union-shop elections, as conducted under the terms of section 9 (c) of the Labor-Management Relations Act, as affected by the Highland Park decision, and it is not and should not be prejudicial to the ruling on the part of the general counsel or the National Labor Relations Board, one way or other, insofar as the oil workers cases are concerned.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I have a statement I desire to file, explaining this particular bill as reported by the committee. I ask that the statement be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS OF SENATOR HUBERT H. HUMPHREY ON S. 1959

The introductory remarks to the report issued by the Committee on Labor and Public Welfare on S. 1959 adequately, it seems to me, summarize the purpose of this proposed legislation:

"This bill is designed to dispense with the holding of what have proved to be wholly unnecessary elections under section 9 (e) (union shop) of the present act and to meet serious related problems arising out of a recent Supreme Court decision."

The recent Supreme Court decision in question is the one in the Highland Park case asserting that the CIO and AFL are labor organizations within the meaning of 9 (h) of the Taft-Hartley law. The NLRB had previously held otherwise and the Highland Park decision overruled the NLRB order.

Members on both sides of the aisle agree that the Supreme Court decision should not disrupt peaceful collective bargaining relationships in perhaps thousands of situations, particularly since both the AFL and CIO had signed the non-Communist affidavits before the Supreme Court decision.

The bill also eliminates the need for elections to authorize the making of union-shop agreements. Here again, both sides of the aisle seem to agree that the union-shop elections serve no purpose but entail a heavy drain upon the limited resources of the NLRB.

The report of the Committee on Labor and Public Welfare, which represents the unanimous view of the committee, sets forth in greater detail than I need to go into here, the background of this proposed legislation.

For myself, I want to make it clear that my sponsorship of this legislation, along with members of my party and members of the Republican Party, does not change my basic convictions about the Taft-Hartley law, which I believe are reasonably well known.

I am sponsoring this legislation because I believe that we have an immediate and urgent responsibility to avert what can very well be turmoil and disruption in established labor-management relationships. I want to avoid this turmoil at a time when we cannot afford it.

S. 1959 is a noncontroversial bill in the fullest sense of the term, and I urge a unanimous vote for it.

AMENDMENT AND EXTENSION OF THE SUGAR ACT OF 1948

Mr. McFARLAND. Mr. President, a few days ago there was a unanimous-consent agreement that when the report on the House bill 4740, the State, Justice, Commerce, and Judiciary appropriation bill for 1952 was reported and the report on it was printed, the bill would become the unfinished business of the Senate. The report has now been filed, and, of course, will be printed in the morning. However, there is another little bill which is considered important, and which we would like to consider ahead of the appropriation bill. It will not take very long to dispose of it. It is Calendar 614, House bill 4521, a bill to amend and extend the Sugar Act of 1948, and for other purposes. I ask unanimous consent that that bill be made the unfinished business in the morning, to be followed by the appropriation bill.

Mr. WHERRY. Mr. President, I shall not object. In fact, I merely want to say that I deeply appreciate the majority leader's taking up the bills in that order, and making the sugar bill the unfinished business. I think it will expedite matters.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

WILLIAM N. OATIS

Mr. McFARLAND. Mr. President, I also wish to state that the distinguished Senator from Texas [Mr. CONNALLY] submitted a report on House Concurrent Resolution 140, which is known as the William N. Oatis resolution, and he would like to take that up sometime tomorrow. I am sure there will be no opposition to it, and that it can be disposed of in a few minutes. Unanimous consent will be requested, when the Senator from Texas is ready, to lay aside temporarily the business then before the Senate, to consider the resolution and dispose of it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. SPARKMAN. I simply want to inquire as to whether any plan has been made yet definitely for calling the calendar.

Mr. McFARLAND. No definite plans have yet been made, but I think that probably one day next week we may be able to call the calendar before the distinguished Senator from Nevada leaves for San Francisco. It will not take long, because there are not very many bills on the calendar.

Mr. SPARKMAN. I thank the Senator.

EXECUTIVE SESSION.

Mr. McFARLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. LONG, from the Committee on Armed Services:

Frank C. Nash, of the District of Columbia, to be assistant to the Secretary of Defense, Mutual Defense Assistance, vice Maj. Gen. James H. Burns, resigned.

The PRESIDING OFFICER. If there are no further reports of committees, the clerk will state the nominations on the executive calendar.

UNITED NATIONS

The legislative clerk read the nomination of Isador Lubin, of New York, to be United States representative on the United Nations Economic and Social Council.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Joseph Samuel Perry, of Illinois, to be United States district judge for the northern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Nora M. Harris to be collector of customs for customs collection district No. 6.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McFARLAND. Mr. President, I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of all nominations confirmed today.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 51 minutes p. m.), the Senate took a recess until tomorrow, Wednesday, August 22, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 21 (legislative day of August 1), 1951:

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general, subject to qualification therefor as provided by law:

William W. Davies William G. Manley
Reginald H. Ridgely Lenard B. Cresswell Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 21 (legislative day of August 1), 1951:

UNITED NATIONS

Isador Lubin, of New York, United States representative on the United Nations Economic and Social Council, to serve concurrently and without additional compensation as the representative of the United States of America on the Advisory Committee to the Agent General of the United Nations Korean Reconstruction Agency.

DIPLOMATIC AND FOREIGN SERVICE

Waldemar J. Gallman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

To be consul general of the United States of America

Harold Sims.

To be Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America

D. Eugene Delgado-Arias.

To be Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America

Julian P. Fromer.

George W. Skora.

J. Raymond Ylitalo.

To be consuls of the United States of America

Stephen H. McClintic Kenneth R. Boyle
Rodolfo O. Rivera H. Franklin Irwin, Jr.

To be a vice consul of the United States of America

Samuel Atkins Morrow.

UNITED STATES DISTRICT JUDGE

Joseph Samuel Perry, to be United States district judge for the northern district of Illinois.

COLLECTOR OF CUSTOMS

Nora M. Harris, to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn.

of dollars, both to the public and to the Government, by obviating unnecessary paper work and by preserving the rights of many who otherwise would lose valuable rights granted to them by law because of lack of a proper understanding of such law and the regulations governing oil and gas leasing.

The author has dedicated the publication to public service and it represents his knowledge of the public lands gained by 38 years' experience, both as an official of the Interior Department and as a practicing attorney, in which he specialized on oil and gas cases.

I am glad to call this comprehensive study to the attention of all persons interested in the discovery and production of oil and gas or in the administration of our public domain.

AMENDMENT AND EXTENSION OF THE SUGAR ACT OF 1948

Mr. FULBRIGHT. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bennett	Hill	Millikin
Benton	Hoey	Moody
Bricker	Holland	Mundt
Butler, Md.	Hunt	Murray
Butler, Nebr.	Ives	Neely
Byrd	Jenner	Nixon
Cain	Johnson, Colo.	O'Connor
Carlson	Johnson, Tex.	O'Mahoney
Case	Johnston, S. C.	Pastore
Chavez	Kefauver	Robertson
Clements	Kem	Russell
Connally	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Dirksen	Knowland	Smathers
Douglas	Langer	Smith, Maine
Duff	Lehman	Smith, N. J.
Dworshak	Lodge	Smith, N. C.
Eaton	Long	Sparkman
Ellender	Magnuson	Stennis
Ferguson	Malone	Thye
Flanders	Martin	Underwood
Fulbright	Maybank	Watkins
George	McCarran	Welker
Gillette	McCarthy	Wherry
Green	McClellan	Wiley
Hayden	McFarland	Williams
Hendrickson	McKellar	Young
Hickenlooper	McMahon	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Delaware [Mr. FREAR] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oklahoma [Mr. MONROE] are absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from Oregon [Mr. MORSE], and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The VICE PRESIDENT. A quorum is present.

The Chair lays before the Senate the unfinished business, the sugar bill.

The Senate proceeded to consider the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes.

The VICE PRESIDENT. No amendment to the bill is pending. The bill is open to amendment.

PRESENCE OF SENATORS AT SIGNING OF THE JAPANESE PEACE TREATY

Mr. ROBERTSON. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The VICE PRESIDENT. Without objection, the Senator from Virginia may proceed.

Mr. ROBERTSON. Mr. President, when the majority leader outlined the so-called must program yesterday, he referred to the fact that some Senators, perhaps a majority of the members of the Committee on Foreign Relations, may go to San Francisco for the conference on the signing of the Japanese peace treaty. Everyone knows that it is to be a conference on the signing of the treaty, not a conference on the drafting of the treaty. Members of the Senate do not sign a treaty. They cannot ratify a treaty in San Francisco. In San Francisco they could not change anything in the treaty. All they could do would be to find out what is in the treaty, which, of course, they can find out just as well after the treaty has been signed.

Mr. President, I have no objection to Members of the Senate attending this important conference provided they do not leave the other Members twiddling their thumbs, waiting on a foreign aid bill, which is one of the "must" bills. We hope very much to be able to conclude the present session of Congress by October 1, as has been previously announced by the majority leader, and agreed to, I believe, by every Member of the Senate. We cannot possibly do so if members of an important committee leave their duties before reporting a bill which is on the "must" list for action. If members of the committee wish to go to San Francisco while we are debating the foreign aid bill and voting on it, I believe we would have no objection. It must be borne in mind that the San Francisco conference is being held for the purpose of signing the treaty, not to draft it, and it is not on the "must" list of any Senator.

Mr. MCKELLAR. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. MCKELLAR. Is it proposed that Senators who go to San Francisco be paid out of Federal appropriations?

Mr. ROBERTSON. I think that comes under the heading of travel expenses in connection with the appropriation bill for the Department concerned. The expense would be for travel necessary in the Department's work, and they will be paid out of the appropriation made for the State Department. The State Department designates them for that purpose, and will pay their travel expenses on a per diem basis out of those funds.

Mr. MCKELLAR. Mr. President, I hope that particular provision or arrangement will be changed. Under the circumstances, I do not think Senators

should go except at their own expense. If I go, I shall certainly pay my expenses; I would not impose upon the Government under such circumstances. I hope other Senators will not either.

Mr. ROBERTSON. I was not raising that issue. I was raising the issue that I do not want to be in Washington waiting to transact business in connection with appropriation bills while 9 members designated by the State Department out of a committee of 13 go to San Francisco to witness the signing of a treaty which, if it were necessary for them to see signed, they could see on the television, and in the meantime could be reporting a bill for the Senate to act on.

Mr. WHERRY. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. Let me point out to the distinguished Senator from Virginia that not only will 8 Senators go to San Francisco—I suppose they will go—but there is to be another meeting of the Interparliamentary Union, which meets every few months; and 3 or 4 Senators will attend that meeting.

I suggest to the distinguished Senator that if 15, 18, or 20 Senators are to go away, why do we not simply join with the House of Representatives and take a recess or adjourn for 3 or 4 weeks or a month, and then return, when all Senators can be present and transact some business? What is wrong with such an arrangement?

Mr. ROBERTSON. The answer to that was given yesterday by the distinguished majority leader, who said that if we did that, we would be here until Christmas.

Mr. WHERRY. Does not the Senator from Virginia think we shall be here until Christmas if the number of Senators indicated leave Washington?

Mr. ROBERTSON. That is why I said I hope they will not go.

MINORITY VIEWS ON THE RFC INVESTIGATION

Mr. BRICKER. Mr. President, I ask unanimous consent that I may proceed for 2 minutes to refer to an editorial and to explain my position in regard to a reference made yesterday by the majority leader.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Is there objection? The Chair hears none, and the Senator from Ohio may proceed.

Mr. BRICKER. Mr. President, yesterday the majority leader assumed to charge the Senator from Indiana [Mr. JENNER] and myself with political bias in connection with the views of the minority of the Banking and Currency Committee on the RFC investigation. It does not well become any Member of the Senate to charge another Member with political motives, Mr. President. All of us are here because we belong to a political party and because we have entered an election and have been elected to this body; and by politics this country moves forward. If it were not for politics, there would be no self-government in the United States.

So the use of the term "political" as an epithet, I think is not proper on the floor of the Senate, in the first place.

and in the second place, there were no biased partisan politics in the minority views submitted by the Senator from Indiana and myself.

We did charge that the chairman of the Democratic National Committee, Mr. Boyle, should have been brought before the committee, and that there should be a thorough investigation of him and his connections with the RFC and with borrowers from the RFC. I do not think anyone will deny that.

At this time we hope that the Committee on Expenditures in the Executive Departments will conduct a most thorough and searching investigation into Mr. Boyle, his relationship with the White House, and his relationship with the RFC and with the borrowers from the RFC.

Reference was made by the majority leader to an old-time scandal which all of us in our party, as well as all of those in his, deplore. I refer to the Teapot Dome scandal. Let it ever be remembered, Mr. President, that it was under a Republican President, and it was under the influence and direction of the White House, that proper prosecution was had in those cases. The persons involved were not cleared by the President, and were not looked upon as good, clean, moral, upright persons such as the present President of the United States has acclaimed Mr. Boyle to be, in spite of the relationship he has had with borrowers from the RFC, as has already been established in the record made by the subcommittee of the Banking and Currency Committee.

In that connection, Mr. President, I noticed in yesterday's New York Daily News an editorial entitled "Sure—Remember Teapot Dome." It should be an example to this administration to clean its own house; and we challenge the administration to move in that direction, as Calvin Coolidge moved in that direction in the Teapot Dome investigation.

Mr. President, I ask unanimous consent that the Daily News editorial be published at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURE—REMEMBER TEAPOT DOME

The Senate on Monday received the red-hot minority report on the Reconstruction Finance Corporation from Senators JOHN W. BRICKER, Republican, of Ohio, and HOMER E. CAPEHART, Republican, of Indiana, and all hell broke loose on the Senate floor.

BRICKER and CAPEHART accused the Truman administration of lax political morals, favoritism, and so on—which caused Democratic Majority Leader ERNEST W. McFARLAND, of Arizona, to see red.

McFARLAND leaped to his feet, and roared: "Have they (the Republicans) forgotten Warren G. Harding and the Ohio gang so soon? Have they forgotten Fall and Doheny already? Have they forgotten Daugherty and Teapot Dome so quickly?"

It seems doubtful that many Republicans have forgotten any of those things. The fact is that they have reason to remember them with no little pride. Here's why.

The Teapot Dome-Elk Hills naval oil reserve scandal occurred in Warren G. Harding's Republican administration (1921-23), true; and it involved a lot of Republicans.

We haven't the space to give many details here. Briefly, Secretary of the Interior Albert

B. Fall was found to have leased the two valuable western naval oil reserve properties to private oil interests, and to have taken a \$100,000 bribe for doing so.

The crime was brought to light by Senator Thomas J. Walsh, Democrat, of Montana, in a long and brilliantly handled investigation. President Harding died August 2, 1923, before matters had come to a head, and Vice President Calvin Coolidge inherited all the messes and headaches of the Harding administration.

When the time came to put Fall and his coplotter on trial (1924), Congress instructed President Coolidge to appoint special attorneys for the Government. The Department of Justice had been somewhat besmirched by Teapot Dome oil, and was not trusted to handle the prosecution.

Coolidge appointed Owen J. Roberts, Republican, and Atlee W. Pomerene, Democrat, as attorneys. He stated in loud, clear tones that the guilty would be brought to justice and the Government's interests defended. Roberts and Pomerene took over. Convictions were obtained; Fall went to jail; and in due time the Government got back the oil lands by decision of the Supreme Court.

WHAT COOLIDGE DID NOT SAY

Mr. Coolidge, it should be remembered, did not say: "I have investigated Mr. Fall and the rest of the gentlemen involved in these charges, and find that they are all very fine fellows indeed and have done no wrong." He let justice take its course, and helped it along in every way he could.

In view of Mr. Truman's recent investigation and acquittal of Democratic National Chairman William M. Boyle, Jr., of any wrongdoing in connection with the RFC loan to Boyle's American Lithofold Corp. client, the Republicans have every reason to be proud of Republican President Coolidge's Teapot Dome clean-up.

AMENDMENT AND EXTENSION OF THE SUGAR ACT OF 1948

The Senate resumed the consideration of the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes.

Mr. GEORGE subsequently said: Mr. President, in order to complete the record on this bill, I desire to have printed in the RECORD, preceding the address of the distinguished Senator from Louisiana [Mr. ELLENDER], the author of the bill, if it will meet with his consent, the report of the Finance Committee on the bill, which is a unanimous report, but omitting so much of the bill as complies with subsection (4) of rule XXIX of the Standing Rules of the Senate, indicating changes in the existing law. I believe that includes the part of the amendment which the distinguished Senator from New Mexico wishes to have placed in the RECORD.

Mr. CHAVEZ. That is correct.

There being no objection, the portions of the report referred to were ordered to be printed in the RECORD, as follows:

REPORT (No. 648) TO ACCOMPANY H. R. 4521

The Committee on Finance, to whom was referred the bill (H. R. 4521) to amend and extend the Sugar Act of 1948, and for other purposes, having considered the same, report favorable thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The accompanying bill reenacts, with relatively minor changes, the Sugar Act of 1948 which otherwise would terminate on December 31, 1952. The bill extends the act for 4 years until December 31, 1956. It also

amends the Internal Revenue Code by extending the applicability of the excise tax on sugar for 4 years until June 30, 1957. Changes in the Sugar Act are confined to those portions of the law relating to quotas. The major change in quotas is to increase the allocation to Puerto Rico by 170,000 tons annually, and that to the Virgin Islands by 6,000 tons. A quota of 300,000 gallons of liquid sugar is also established for the British West Indies to meet a particular situation in the molasses industry.

The allocation to the various producing areas on the mainland of the United States, and to Hawaii and the Philippine Islands, remains the same as in the existing law. A slight increase is provided in the allocation to foreign countries other than Cuba, which ship sugar into the United States, in order to restore to these countries their prewar ratio of sugar imports. Cuba's percentage share of the import trade in sugar is slightly reduced, but the actual tonnage of sugar which Cuba will ship to the United States is expected to increase, due to the fact that Cuba will receive a fixed percentage quota of an anticipated substantial increase in sugar consumption in the United States.

The provisions of the bill have been worked out in a series of conferences between producer and user groups in the sugar industry, representatives of the various sugar-producing areas, and an interdepartmental committee composed of representatives of the Departments of State, Interior, Commerce, Treasury, Agriculture, and the Tariff Commission. Particular consideration has been given to the matter by the Departments of Agriculture, State, and Interior. In these conferences the interests of the various users and producers were carefully considered by the Government departments concerned and the bill represents a practical and equitable adjustment of those varying, and to some extent conflicting, interests.

National policy

Sugar is an essential food product, and it has long been the established policy of the United States Government—for defense and strategic reasons—to preserve within the United States the ability to produce at least a portion of this vital food product needed by American consumers. Due to the cheap labor available in tropical countries where sugar grows most abundantly and to the fact that sugar (either beet or cane) is produced in some quantity in almost every country in the world, it is probable that little, if any, sugar would be grown in the United States if American producers had to compete on an open world market against the cheap production in other countries. The accompanying chart shows how wages in United States sugar-producing areas compare with those in other countries.

The history of efforts to effectuate this national policy goes back almost to the first days of the Republic. For many years a tariff barrier was maintained against sugar from other countries, but this had the multiple disadvantage of arbitrarily increasing the price of sugar to consumers in the United States without assuring an adequate supply from foreign sources and, at the same time, leaving domestic production to be guided solely by the fluctuations of the world market in sugar. After more than a century of unsatisfactory experience with this tariff system, a quota system which prorates domestic consumption among producers in the United States and adjacent areas was developed and written into law in 1934. The quota system was revised in 1937 and again in the present act, which became effective January 1, 1948.

In 1950, under this quota system, domestic producing areas supplied 54.08 percent of the sugar consumed in the United States, as follows: Mainland beet and cane areas, 27.39 percent; Puerto Rico and the Virgin Islands, 12.85 percent; Hawaii, 13.84 percent. The Philippines supplied 5.72 percent; Cuba,

39.46 percent; and all other foreign countries, 0.74 percent.

An excise tax of 50 cents per 100 pounds and an import compensating tax at the same rate are applied to sugar in order to operate the program and equalize the cost of production in domestic and foreign producing areas. Out of the funds thus obtained, payments are made to domestic producers at a basic rate of 80 cents per hundred pounds of sugar, raw value, for the first 350 short tons of sugar produced on a farm and graduated progressively downward thereafter to a minimum of 30 cents per hundred pounds for sugar produced in excess of 30,000 short tons on a farm. Payment is made only to farmers who have complied with their marketing quotas. Those who participate in the program must also comply with regu-

lations regarding wages and other working conditions prescribed by the Secretary of Agriculture.

Financially, the sugar program carried out under the authority of the various sugar acts has been one of the Government's most successful program operations. From 1934 through the end of the fiscal year 1950, taxes collected as part of the sugar program have amounted to \$987,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program have totaled \$757,387,894, leaving an excess of taxes over expenditures, representing a net profit from the operation of the program of \$230,364,522. On an annual basis, the average taxes collected have been a little over \$76,000,000, expenses including administration and payments have

averaged about \$61,000,000, leaving a net average profit annually of almost \$16,000,000.

WORLD SUGAR SITUATION

During the past 100 years world sugar production has risen from less than 3,000,000 tons to over 40,000,000 tons annually, including 5,700,000 tons of noncentrifugal sugar which is consumed almost entirely in the areas where it is produced. Three-fourths of this increase has come in the present century. World production has doubled since 1920. As a result of these tremendous increases in supplies, sugar has ceased to be a luxury product and has become the cheapest food, on a calorie basis, of any important food product.

The following table shows world sugar production for the past 15 years.

Centrifugal sugar (raw value): Production in specified countries, averages 1935-39, 1940-44, and annual 1947-50¹

Continent and country	Average		1947	1948	1949	1950 ²
	1935-39	1940-44				
North America (cane):	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
British Honduras.....	1	1	1	1	2	2
Canada.....	76	98	89	104	120	155
Costa Rica.....	9	15	23	28	23	25
El Salvador.....	18	23	33	28	30	35
Guatemala.....	19	24	30	37	38	40
Honduras.....	2	1	2	2	6	6
Mexico.....	354	450	714	754	712	800
Nicaragua.....	9	15	20	22	23	25
Panama.....	5	5	13	14	16	16
United States:						
Beet.....	1,518	1,451	1,832	1,370	1,564	1,950
Cane.....	474	429	376	477	520	525
Antigua.....	22	22	14	21	35	37
Barbados.....	133	108	65	152	161	165
Cuba.....	3,183	3,686	6,675	5,763	6,126	6,300
Dominican Republic.....	491	494	465	527	524	560
Grenada.....	1	1	1	1	1	1
Guadeloupe.....	60	51	31	50	72	75
Haiti.....	44	47	47	49	56	60
Jamaica.....	119	175	216	266	306	325
Martinique.....	65	36	25	30	41	65
Puerto Rico.....	974	961	1,108	1,277	1,286	1,275
Trinidad and Tobago.....	148	102	130	178	165	185
Virgin Islands of the United States.....	6	4	4	4	4	4
St. Kitts.....	36	36	36	41	46	50
St. Lucia and St. Vincent.....	9	9	10	13	14	15
Total North America.....	7,776	8,244	11,960	11,209	11,891	12,696
Europe (beet):						
Austria.....	196	128	44	58	74	115
Belgium.....	259	253	153	295	378	440
Bulgaria.....	24	47	21	82	60	45
Czechoslovakia.....	715	680	387	699	690	800
Denmark.....	257	232	243	292	355	400
Finland.....	13	6	9	21	25	30
France.....	1,059	643	732	1,058	972	1,350
Germany:						
Western zone.....	620	650	404	681	689	900
Eastern zone.....	1,000	950	459	750	612	850
Hungary.....	139	197	171	267	292	240
Ireland.....	89	103	75	106	110	112
Italy.....	426	422	270	502	556	600
Netherlands.....	257	212	246	315	441	450
Poland.....	1,000	870	606	765	909	1,000
Rumania.....	99	82	90	124	127	100
Spain.....	209	164	165	315	207	230
Sweden.....	340	318	268	321	321	350
Switzerland.....	13	22	26	30	29	30
United Kingdom.....	527	560	534	696	575	725
Yugoslavia.....	95	75	94	105	110	110
Total Europe (excluding U. S. S. R.).....	7,337	6,614	4,997	7,482	7,532	8,877
U. S. S. R. (Europe and Asia) (beet).....	2,761	1,350	1,700	2,000	2,200	2,300
Asia (cane):	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Iran (beet).....	21	27	63	43	34	56
Turkey (beet).....	76	103	118	145	165	147
Burma.....	27	18	20	7	7	7
China.....	438	402	380	400	300	300
Manchuria (beet).....	14	25	9	6	6	10
French Indochina.....	76	79	15	17	7	6
India.....	1,300	1,410	1,416	1,319	1,251	1,560
Japan (beet).....	167	134	24	21	28	30
Formosa.....	1,202	921	290	697	675	450
Pakistan.....	30	30	30	49	49	55
Indonesia.....	1,447	953	100	249	300	500
Philippine Islands.....	1,058	320	398	729	680	1,000
Siam.....	21	15	32	37	35	40
Total Asia.....	5,877	4,437	2,886	3,728	3,537	4,161
South America (cane):						
Argentina.....	480	480	668	623	605	675
Brazil.....	786	958	1,496	1,549	1,500	1,550
British Guiana.....	209	189	194	196	222	225
Colombia.....	50	79	127	162	187	190
Ecuador.....	24	32	40	48	54	56
Paraguay.....	7	13	18	14	19	19
Peru.....	430	463	520	518	475	500
Surinam.....	19	10	6	5	8	5
Uruguay (beet).....	2	2	1	2	4	4
Venezuela.....	19	34	31	48	57	65
Total South America.....	2,026	2,260	3,101	3,165	3,131	3,289
Africa (cane):						
Belgian Congo.....	14	17	19	18	14	15
Kenya.....	13	12	15	14	14	14
Tanganyika.....	63	9	7	9	9	9
Uganda.....	55	67	76	54	50	50
Egypt.....	167	190	245	210	193	200
Madagascar.....	13	14	13	16	18	18
Madeira Islands and Azores.....	9	5	8	8	8	8
Mauritius.....	321	330	354	432	459	490
Mozambique.....	79	76	88	83	110	115
Angola.....	38	54	49	61	55	57
Reunion.....	92	60	98	86	118	130
Union of South Africa.....	478	550	512	608	561	600
Total Africa.....	1,274	1,373	1,498	1,617	1,611	1,704
Oceania (cane):						
Australia.....	894	761	678	1,056	1,050	1,157
Fiji.....	143	115	156	149	143	115
Hawaiian Islands.....	980	880	835	956	960	1,085
Japanese Mandated Islands.....	69	30	0	0	0	0
Total Oceania.....	2,086	1,786	1,669	2,161	2,153	2,357
Total, cane.....	17,310	16,371	19,007	20,208	20,430	21,887
Total, beet.....	11,827	9,693	8,804	11,154	11,625	13,499
World total, beet and cane.....	29,137	26,064	27,811	31,362	32,055	35,386

¹ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.

² Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.

³ Preliminary.

⁴ Includes a small amount of cane sugar.

⁵ Cane and beet.

Source: Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U. S. Foreign Service officers, results of office research, and other information. Estimates of countries having boundary changes have been adjusted to postwar boundaries except as noted.

The price effects of the increases in world production have been intensified by several conditions affecting production and consumption. A part of the increase in world production has resulted from the natural development of producing areas. However, production has been stimulated by very low wages in many tropical areas, by excessive protection in many consuming countries, and by direct and indirect export subsidies. Almost every country in the world has made sugar the subject of some kind of special legislation. Because of these conditions, declines in world prices have tended to have only a slight effect, if any, in restraining world production. On the other hand, declines in world prices have failed to stimulate world consumption fully because of the high levels at which prices are maintained in many consuming countries. In two-thirds of the countries for which retail price data are available, prices in March 1949 were from around 2 cents to 20 cents per pound above world prices. The average 1948 consumption for such countries was only 36 pounds per capita, and for the 14 countries having the highest prices, consumption was only 25 pounds per capita, compared with 93 pounds, refined value, that year in the United States.

In the 10 years ending in 1933, production in the present domestic areas as a whole nearly doubled, and receipts from the Philippines were multiplied nearly five times. These increased supplies, together with the decline in per capita consumption in the late 1920's and early 1930's caused a drop in United States imports of sugar. Imports from Cuba fell more than 50 percent, with disastrous effects on the Cuban economy. Since 1934 domestic production has fluctuated considerably, but it has averaged 3,900,000 tons, the level it attained in 1933. Low production in the domestic areas during the war years resulted from various shortages, from the diversion of land to crops considered more essential to the war effort and, in the case of Hawaii, from direct war activities.

HISTORICAL DEVELOPMENT

Historically the United States has had significant tariffs on sugar. Although these tariffs have been moderate in comparison with the tariffs and other protective measures existing in many foreign countries, they nevertheless have artificially stimulated production in our domestic areas and the Philippine Islands. By 1933 it had become evident that tariff protection alone was not an effective or satisfactory means of assuring an adequate sugar supply at fair prices and that some type of quota system was needed for both the domestic sugar-producing industry and the Cuban industry. The following table shows United States tariff rates on sugar from 1789 to 1951. Under the sugar act the tariff has been reduced to 0.5 cent per pound on Cuban sugar and 0.625 cent per pound on sugar from full-duty countries.

Raw sugar: United States tariff rates, 1789-1951

	Cents per pound
1789-90.....	1.
1790-97.....	1.5.
1797-1800.....	2.
1800-16.....	2.5.
1816-32.....	3.
1832-46.....	2.5.
1846.....	30 percent=2.15. ¹
1847.....	30 percent=1.76.
1848.....	30 percent=1.79.
1849.....	30 percent=1.43.
1950.....	30 percent=1.50.
1851.....	30 percent=1.50.
1852.....	30 percent=1.30

Footnotes at end of table.

	Cents per pound
1853.....	30 percent=1.43.
1854.....	30 percent=1.30.
1855.....	30 percent=1.56.
1856.....	30 percent=1.82.
1857.....	30 percent=2.21.
1858.....	30 percent=1.56.
1859.....	30 percent=1.50.
1860.....	30 percent=1.56.
March 1861.....	0.75.
August 1861-62.....	2.50.
1862-64.....	3.00.
1864-70.....	3.50.
1870-75.....	2.75.
1875-83.....	3.4375.
1883-90.....	2.75.
1890-94.....	(²)
1894.....	40 percent=0.98. ¹
1895.....	40 percent=0.87.
1896.....	40 percent=0.93.
1897.....	40 percent=0.80.
1897-1913.....	1.685.
1914-21 ³	1.0048.
1921-22.....	1.60.
1922-30.....	1.7648.
1930-34.....	2.0.
1934.....	1.5.
1934-39.....	0.9.
Sept.-Dec. 1939.....	1.5.
1939-42.....	0.9.
1942-47.....	0.75. ⁴
1948-51.....	0.50.

¹ 30 percent and 40 percent, respectively, of raw sugar prices, c. i. f., London, as reported in Doerr, the History of Sugar, p. 531, and converted from shillings per British hundredweight (112 pounds) to cents per 100 pounds.

² Free (2 cents) bounty.

³ Cuban rate used for the period since 1914, since this has been the effective rate.

⁴ Tariff suspended May 1944 to December 1946 under Executive Order No. 9177, 7 F. R. 4195.

Source: Sugar reports No. 5, June to July 1949, pages 30-35. Where tariff rate is based on Dutch standard, rate applicable from No. 13 to No. 15 was taken, except for 1862, where rate applicable to raw sugar and sugars not above No. 12 Dutch standard was used.

The first big step away from tariffs as the instrument of national sugar policy was the Jones-Costigan Sugar Act, adopted in 1934 as an amendment to the Agricultural Adjustment Act of 1933. It provided for an excise tax on sugar, for benefit payments to growers, and for the control of domestic production and imports. The Sugar Act of 1937 provided for an excise tax at the rate of one-half cent per pound, raw value, and for payments to growers on condition that marketings of sugar beets and sugarcane were kept within specified limits, that producers paid fair wages and employed no child labor, and that producers who are also processors paid fair prices for sugarcane or sugar beets purchased. Marketings for the domestic areas were not to exceed 55.59 percent of total domestic requirements, except that domestic marketings were not to be reduced below a total of 3,715,000 tons. The remaining domestic requirements were to be supplied by imports.

The Sugar Act of 1948 followed the major outlines of the Sugar Act of 1937, but incorporated several important changes to afford relief from the depression which was expected to strike the Cuban sugar industry between 1948 and 1952. Fixed maximum quotas were established for the domestic areas and the Republic of the Philippines so that these areas would not participate during this specified period in the increase in domestic consumption. The Sugar Act of 1948 requires that our imports from foreign countries, other than the Republic of

the Philippines, be supplied to the extent of 98.64 percent from Cuba and 1.36 percent from full-duty countries. The act also provides that Cuba shall share proportionately with domestic areas in the deficit resulting from the failure of any domestic area to fill its quota. Finally, Cuba was given 95 percent of the Philippine deficits. Full-duty countries, which formerly received all of the Philippine deficit, were given 5 percent of such deficit under the Sugar Act of 1948.

By giving Cuba essentially all of the deficits of the Philippines, which clearly would be large during the early postwar period, and by making Cuba the beneficiary of practically all increases in United States consumption until the end of 1952, it was believed that Cuba would be assured of a sufficient market in the United States to minimize the effects on the Cuban sugar industry of the anticipated decline in world demand. It was emphasized that the Sugar Act of 1948 was designed to meet problems of the temporary postwar transition period and was not to be regarded as the establishment of long-time national sugar policy. Actually, of course, the anticipated depression did not occur. The estimated value of the 1951 Cuban crop is over \$700,000,000 and is second only to the value of the 1920 crop which, because of inflationary prices that year, sold for approximately \$1,000,000,000. The four crops produced by Cuba since the Sugar Act of 1948 has been in effect have had an average value of \$580,000,000, the highest for any four consecutive crops on record. The value of the 1933 crop, for comparison, was \$44,000,000.

SUGAR PRICE

The sugar acts have been of great benefit both to consumers and producers in stabilizing domestic sugar prices and production. The legislation has assured producers of a market for a specified production of sugar at fair prices; it has assured consumers of adequate supplies of this essential food at prices which are not only fair but far lower than those prevailing in virtually any other country in the world which does not reduce the price of sugar artificially by means of a consumer subsidy. The following chart shows sugar consumption in the United States and the price of sugar compared to the price of other foods.

Because of the special subsidies, tariffs, and other restrictions which are applied to sugar in almost every country, there is relatively little sugar on the free world market. Consequently, the world market price of sugar gyrates sharply and is extremely susceptible to surplus and deficit conditions. The sugar acts have operated effectively to protect growers of the United States sugar supply during periods of depression in the world sugar market. Conversely, this legislation has operated effectively to keep domestic sugar prices below world prices in times of sharp increases in the world market price of sugar. This has been the case during most of the past year. At the peak of prices in June of this year, the world sugar price was \$2.30 per hundred pounds above the price of United States quota sugar, f. a. s. Cuba.

Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history in comparison with prices of all foods. In relation to per capita disposable income, sugar prices have been maintained at approximately the low level established during the war years when the Commodity Credit Corporation spent \$133,000,000, in addition to the benefits of free-duty entry equivalent to \$113,000,000, in paying subsidies and absorbing losses to maintain low sugar prices to consumers. The following table shows wholesale sugar prices and their relation to

the price of other foods and to per capita disposable income from 1860 to June 1951:

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (whole-sale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	Cts. per lb.			Cts. per lb.	Cts. per lb.
1860.	9.78	78		12.54	
1861.	8.75	73		11.99	
1862.	11.16	87		12.83	
1863.	14.28	100		14.28	
1864.	22.56	154		14.65	
1865.	21.56	147		14.67	
1866.	16.68	141		11.97	
1867.	15.78	136		11.60	
1868.	16.32	139		11.74	
1869.	16.19	126		12.85	
1870.	13.53	113		11.97	
1871.	13.28	106		12.53	
1872.	12.37	99		12.49	
1873.	11.34	100		11.34	
1874.	10.56	103		10.25	
1875.	10.72	98		10.94	
1876.	10.47	92		11.38	
1877.	11.31	94		12.03	
1878.	9.48	76		12.47	
1879.	8.78	73		12.03	
1880.	9.60	78		12.31	
1881.	9.67	86		11.24	
1882.	9.23	93		9.92	
1883.	8.51	84		10.13	
1884.	6.78	76		8.92	
1885.	6.44	69		9.33	
1886.	6.12	64		9.56	
1887.	6.01	70		6.59	
1888.	7.01	70		10.01	
1889.	7.64	64		11.94	
1890.	6.17	70		8.81	
1891.	4.64	69		6.72	
1892.	4.35	64		6.80	
1893.	4.84	69		7.01	
1894.	4.12	61		6.75	
1895.	4.15	60		6.92	
1896.	4.53	55		8.24	
1897.	4.50	53		7.76	
1898.	4.96	60		8.27	
1899.	4.92	60		8.20	
1900.	5.32	64		8.31	
1901.	5.05	64		7.89	
1902.	4.46	68		6.56	
1903.	4.64	66		7.03	
1904.	4.77	69		6.91	
1905.	5.26	69		7.62	
1906.	4.52	68		6.65	
1907.	4.65	72		6.46	
1908.	4.96	74		6.70	
1909.	4.76	79		6.03	
1910.	4.97	82	63	6.06	7.89
1911.	5.34	78	63	6.85	8.48
1912.	5.04	85	67	5.93	7.52
1913.	4.28	82	69	5.22	6.20
1914.	4.68	82	68	5.71	6.88
1915.	5.56	82	71	6.78	7.83
1916.	6.86	95	82	7.22	8.37
1917.	7.66	132	98	5.80	7.62
1918.	7.83	151	108	5.19	7.25
1919.	9.00	164	122	5.49	7.38
1920.	15.55	174	126	8.94	12.34
1921.	6.19	114	99	5.43	6.25
1922.	5.93	111	104	5.34	5.70
1923.	8.41	117	119	7.19	7.07
1924.	7.31	115	118	6.36	6.19
1925.	5.45	126	123	4.33	4.43
1926.	5.46	126	126	4.33	4.33
1927.	5.79	122	124	4.75	4.67
1928.	5.52	128	126	4.31	4.33
1929.	5.03	126	132	3.99	3.81
1930.	4.62	114	117	4.05	3.95
1931.	4.43	95	99	4.66	4.47
1932.	3.99	77	75	5.18	5.32
1933.	4.32	77	70	5.61	6.17
1934.	4.44	89	80	4.99	5.55
1935.	4.86	106	89	4.68	5.46
1936.	4.69	104	101	4.51	4.65
1937.	4.73	108	108	4.38	4.38
1938.	4.48	93	98	4.82	4.57
1939.	4.57	89	104	5.13	4.39
1940.	4.34	91	112	4.77	3.88
1941.	4.92	104	134	4.73	3.67
1942.	5.44	126	169	4.32	3.22
1943.	5.49	135	189	4.07	2.90

Wholesale sugar prices, index numbers of wholesale prices of all foods and wholesale sugar prices in relation to prices of all foods, annually 1860 to 1950 and monthly January to June 1951—Continued

[Index numbers of per capita disposable income and wholesale sugar prices in relation to per capita disposable income annually, 1910-50, and quarterly January to June 1951]

Year	Sugar price, net cash, New York	Index numbers (1935-39=100)		Sugar prices in relation to—	
		Prices of all foods (whole-sale)	Per capita disposable income	Prices of all foods	Per capita disposable income
(1)	(2)	(3)	(4)	(5)	(6)
	Cts. per lb.			Cts. per lb.	Cts. per lb.
1944.	5.46	133	203	4.11	2.62
1945.	5.39	135	211	3.99	2.55
1946.	6.34	166	219	3.82	2.89
1947.	8.12	214	229	3.79	3.55
1948.	7.61	227	251	3.35	3.03
1949.	7.81	204	245	3.83	3.19
1950.	7.64	210	260	3.73	3.02
1951:					
January.	8.08	230	-----	3.51	-----
February.	8.08	237	-----	3.41	-----
March.	8.08	236	-----	3.42	-----
January-March average.	8.08	234	273	3.45	2.96
April.	8.08	235	-----	3.44	-----
May.	8.23	237	-----	3.47	-----
June.	8.42	236	-----	3.57	-----
April-June average.	8.24	236	277	3.49	2.97

1 Preliminary—at annual rate.

SOURCES

Column 2: 1860-99: Palmers Sugar Manual, Concerning Sugar, 1900-51: Lamborn Sugar Market Report.

Column 3: 1860-1909: Wholesale Prices for 213 Years, Warren and Pearson. 1910-51: Bureau of Labor Statistics, index numbers based on 1926 converted to 1935-39=100.

Column 4: 1910-28: Estimates by BAE. 1929-51: Computed by BAE from data of U. S. Department of Commerce; published in the Livestock and Meat Situation.

Column 5: Column (2) divided by column (3). Column 6: Column (2) divided by column (4).

Full-duty quota

One of the changes made in the 1948 act by this bill is to increase moderately the sugar quota for the full-duty countries from which United States imports sugar. These are the countries other than Cuba and the Philippines. Under the provisions of the Sugar Act of 1948, the Philippines receives a stipulated tonnage quota, as do the domestic-producing areas. This bill makes no change in the Philippine quota. Under the 1948 act, Cuba receives a quota equivalent to 98.64 percent of the estimated United States requirement remaining after the specific quotas to the domestic areas and the Philippines have been allocated. The other countries, referred to as the full-duty countries, received a quota aggregating 1.36 percent of the sugar assignable to import countries. Under the terms of the bill herewith reported, the import quotas are to be divided 96 percent to Cuba and 4 percent to the full-duty countries.

This change merely restores the full-duty countries to the relative position they occupied prior to the war. At that time, in the years 1937 through 1941 (following which sugar quotas were suspended), these countries provided 3.97 percent of our dutiable sugar imports. Cuba supplied the balance, 96.03 percent.

During the war and immediate postwar period, sugar production in Cuba was greatly expanded at our request, in order to meet the increased sugar needs of the United States and its allies. In the Sugar Act of 1948, therefore, it seemed reasonable to the committee to give Cuba for a temporary pe-

riod an unusually large share of United States import market, so that it might have a few years in which to readjust its economy.

Cuba has now had ample time to readjust its economy, and the committee believes that the prewar position of the full-duty countries should be restored. Because of the increased consumption in the United States, larger quotas can now be given to the full-duty countries without injury to Cuba. With the quotas for domestic areas other than Puerto Rico and the Virgin Islands remaining the same as under the 1948 act, the anticipated increased consumption in the United States will actually result in larger quotas for Cuba than in previous years.

Puerto Rican production

The bill increases the quota for Puerto Rico from 910,000 tons annually under the 1948 act, to 1,080,000 tons. In addition, Puerto Rico produces and refines its own sugar for domestic consumption, currently about 110,000 tons per year. While the increase of 170,000 tons in the Puerto Rico quota will not absorb the entire sugar production of which the island is capable in good crop years, it is believed that it will substantially improve the situation of producers in Puerto Rico.

With reference to the question of increasing the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota, the committee feels that quotas on refined or direct-consumption sugar are part of the comprehensive philosophy of the Sugar Act of 1948, which places restrictions on every segment of the domestic industry, and should not be considered separately. The quotas for each unit of the domestic industry are so interrelated in the production and distribution of both raw and refined sugar that a change in one would require a reconsideration of all. The committee agrees generally with the statement made before the committee by the representatives of the domestic sugar industry "that the fabric of the law is one piece, that it makes a complete and indivisible whole, and that, because of the interdependence of its provisions and certain results, a single subject, such as for example the size of an insular refined quota, cannot be divided for separate consideration." However ample protection is afforded all areas in that the duration of the proposed legislation is for only 4 years.

Molasses imports

During the hearings on this bill, representations were made to the committee regarding the difficulties encountered by those who import molasses into the United States, and an amendment was proposed which would have changed the definition of liquid sugar embodied in the 1948 act (in which no change is made by this bill) so as to liberalize the definition of molasses. Under the present law, sugar-bearing liquids are classified as molasses if they contain 6 percent or more of soluble nonsugar solids. If they contain less than 6 percent of soluble nonsugar solids they are classified as liquid sugar. The duty on liquid sugars is comparable to that of crystalline sugar and is somewhat higher than the duty on molasses.

It was pointed out to the committee that some of the sugar-containing liquids which are imported and sold as molasses contain a relatively low percentage of soluble nonsugar solids, even though they have the color, taste, and aroma characteristically associated with molasses. This is particularly true, it was pointed out, of high quality molasses from Barbados, one of the islands of the British West Indies. Molasses from Barbados is an essential ingredient of some of the popular brands of molasses commonly sold at retail in the United States. When brought into this country it frequently shows a soluble nonsugar solid content of less than 7 percent—very close to

the dividing line between molasses and liquid sugar.

If a shipment of molasses is offered for import and found to contain less than 6 percent soluble nonsugar solids, the importer has several alternatives if the molasses is from an area, such as Cuba, which has a liquid-sugar quota: He can bring the molasses in by paying the duty applicable to liquid sugar; he can combine the molasses in bond with molasses having a sufficiently high soluble nonsugar content, to bring the percentage of the mixture up to the molasses standard and then move the molasses through customs; or he can, of course, send the shipment back for adjustment in the producing area. In the case of molasses offered for import from Barbados, the importer has only two of these alternatives since there is no present liquid-sugar quota for the British West Indies: He must either mix the molasses before entry, so that it will come in as molasses; or he must reject the shipment. The liquid-sugar quota of 300,000 gallons annually which is included in the bill will relieve this situation. If a shipment of Barbados molasses arrives for entry and is found to fall within the classification of liquid sugar, the importer will not have to refuse it or mix it with other molasses, but can bring it into the United States by paying the liquid-sugar duty. The quantity—300,000 gallons—is believed to be large enough to take care of any such situation which is likely to arise.

ANALYSIS OF THE BILL

Quotas

The first section of the bill provides for revisions in section 202 of the act with respect to domestic and foreign quotas. The revisions of domestic quotas and the general principles involved in the quota revisions have been discussed at length above. The net result of quota changes is to give Puerto Rico an additional 170,000 tons, the Virgin Islands an additional 6,000 tons, and to restore the quota of the full-duty countries to 4 percent of our total import requirements from foreign countries.

The quota for full-duty countries (other than Cuba and the Republic of the Philippines) has under previous legislation been prorated on the basis of a regulation which was based on imports received from such countries in the years 1926, 1929, and 1930. As a result, prorations were made to 27 countries, of which only 6 have supplied significant quantities in recent years. Therefore, it has been necessary for the Secretary of Agriculture to revise such prorations as of September 1 each year to make the quota available to the countries that might fill it. The bill provides that 95 percent of the full-duty quota be prorated among the six countries supplying significant amounts of sugar to the United States in recent years on the basis of average quantities received from such countries during the period 1948 to 1950, inclusive. The remaining 5 percent constitutes a reserve, which will be applicable to sugar from any other country, except that no one country will be permitted to utilize more than one-fifth of such reserve.

The quota for Cuba constitutes 96 percent of the total United States requirements in excess of the quantities supplied under the fixed quotas for the domestic areas and the Republic of the Philippines. Cuba, therefore, remains the principal beneficiary of increased sugar consumption in the United States.

A minimum quota is established for Cuba, amounting to 28.6 percent of total sugar requirements when such requirements are 7,400,000 tons, raw value, or less, or 2,116,000 short tons, raw value, when the total amount of United States sugar requirements exceeds 7,400,000 tons.

Proration of deficits

Section 2 of the bill amends section 204 of the Sugar Act, which relates to the proration of deficits. Subsection (a) provides that deficits may be declared in December when total requirements must be determined for the ensuing year. This addition will enable the Department of Agriculture to establish quotas promptly. This should be of particular benefit to importers and foreign producers. This subsection also eliminates a provision which prevents domestic areas from participating in deficits when total requirements are less than 7,000,000 short tons. With domestic requirements now placed at 8,250,000 tons, this provision has become obsolete. The bill provides for the proration to Cuba of possible deficits in quotas for full-duty countries and for the proration of 96 percent of future Philippine deficits to Cuba, and 4 percent to full-duty countries, in accordance with the distribution of basic quotas. This section is also revised to omit reference to the form in which Philippine deficit sugar may be entered, since that is covered by a later provision of the bill. Finally, this subsection provides a simplified procedure for utilizing deficits if areas to which they are initially assigned are unable to supply the sugar.

Subsection (b) permits a revision to be made in the proration for full-duty countries as soon as it becomes evident that a deficit will occur, but would continue to permit unfilled balances to be prorated on September 1. The requirement that a country fill its proration by September 1 to qualify for an additional quota is eliminated if the country can show it has the ability to fill such quota.

Subsection (c) merely clarifies the meaning of the existing section by inserting the words "or applicable proration" after the words "the quota."

Entry of direct-consumption sugar

Section 3 of the bill adds a new subsection (h) to section 207 of the act, which limits the quantities of direct-consumption sugar which may be brought into the continental United States from offshore areas. The new subsection results in the same limitations on imports of direct-consumption sugar as those provided in the Sugar Act of 1948, even though revisions are made in the quotas. Provision is also made to assure to each full-duty country the opportunity of entering as much direct-consumption sugar as it entered on the average during the years 1948, 1949, and 1950.

Liquid-sugar quotas

Section 4 provides a liquid-sugar quota of 300,000 gallons for the British West Indies. This will permit the importation of Barbados fancy molasses which meets the qualifications of liquid sugar.

Period for which the bill is effective

Section 5 provides for termination of the act on December 31, 1956, except that the Secretary shall have power to make payments under title III on programs applicable to the crop year 1956 and previous crop years.

Section 6 extends to June 30, 1957, the period during which the excise tax is applicable to sugar.

Section 7 makes the bill effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

Mr. ELLENDER. Mr. President, first, I wish to compliment the Finance Committee, and particularly its chairman, the distinguished Senator from Georgia [Mr. GEORGE], for having acted so promptly on House bill 4521, known as the sugar bill.

The provisions of this bill were worked out through a series of conferences which were had between the producer and user groups in the sugar industry, representatives of the various sugar-producing areas, and also an interdepartmental committee composed of representatives of the Departments of State, Interior, Commerce, Treasury, and Agriculture, and the Tariff Commission.

I also wish to state that the bill is sponsored by 31 Senators; and at this time I should like to state their names: Aside from myself, they are the senior Senator from Georgia [Mr. GEORGE], the senior Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Colorado [Mr. JOHNSON], the junior Senator from Colorado [Mr. MILLIKEN], the junior Senator from Louisiana [Mr. LONG], the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Florida [Mr. SMATHERS], the junior Senator from Wyoming [Mr. HUNT], the senior Senator from Michigan [Mr. FERGUSON], the junior Senator from North Dakota [Mr. YOUNG], the senior Senator from Minnesota [Mr. THYE], the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Montana [Mr. ECTON], the senior Senator from Nebraska [Mr. BUTLER], the senior Senator from Washington [Mr. MAGNUSON], the senior Senator from South Dakota [Mr. MUNDT], the junior Senator from Nebraska [Mr. WHERRY], the junior Senator from Idaho [Mr. WELKER], the senior Senator from Idaho [Mr. DWORSHAK], the senior Senator from Utah [Mr. WATKINS], the junior Senator from Utah [Mr. BENNETT], the junior Senator from South Dakota [Mr. CASE], the junior Senator from Kansas [Mr. CARLSON], the junior Senator from Maryland [Mr. BUTLER], the junior Senator from Washington [Mr. CAIN], the senior Senator from New Mexico [Mr. CHAVEZ], the junior Senator from New York [Mr. LEHMAN], the senior Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from California [Mr. NIXON], and the senior Senator from California [Mr. KNOWLAND].

Mr. President, the pending measure, H. R. 4521, provides for the re enactment, with relatively minor changes, of the Sugar Act of 1948, which otherwise would expire on December 31, 1952. Our present sugar program was developed over a period of 18 years, with the twofold purpose of maintaining and protecting the domestic sugar-producing industry and of stabilizing the market price of sugar at a level which would not be excessive to consumers. In other words, our sugar legislation is designed to maintain stability by avoiding surpluses, which bring low prices and depression to producers, and by avoiding shortages, which bring high prices to consumers. While I do not maintain that the program has been perfect, no one can deny that it has been remarkably successful in accomplishing its over-all objectives.

Prior to 1934, the domestic sugar industry was protected only by a tariff. During that long period, tariffs of varying amounts were applied to sugar imports from foreign countries; but, in

spite of this protection, the domestic sugar industry fell, in the early 1930's, to the depths of depression, and the Cuban industry reached a condition of chaos. At this period when economic ruin threatened our own producers, as well as those of Cuba, the prevailing tariff amounted to 2 cents per pound on Cuban raw sugar, and 2½ cents per pound on sugar from other foreign countries. It became evident that tariffs, alone, could not stabilize the domestic industry, and, in 1933, the Tariff Commission reported to the President that further increases in the tariff would be useless, and that a quota system was necessary to bring recovery to our own as well as the Cuban sugar industry.

The Jones-Costigan Sugar Act of 1934 resulted from the Tariff Commission's studies, and from intensive hearings and studies made by both Houses of Congress. The Jones-Costigan Act of 1934 was followed by the 1937 Sugar Act, through which further improvements were made in the program, and subsequently, by the 1948 Sugar Act, under which our present sugar program operates. Basically, the program maintains stability in the domestic sugar market, through a system of marketing and import quotas for domestic and foreign producing areas. Under the 1948 Sugar Act, the American sugar market is allocated by a system of quotas to the various producing areas, with domestic producers supplying 54.08 percent of our total needs. Under this system, the mainland beet and cane areas receive 27.39 percent of our consumption requirements; Puerto Rico and the Virgin Islands 12.58 percent; Hawaii 13.84 percent; Republic of the Philippines 5.72 percent; Cuba 39.46 percent; with the remaining .74 percent divided among other foreign producing countries.

The act provides for an excise tax of 50 cents per hundred pounds on domestic sugar, and an import compensating tax at the same rate, applied to sugar in order to operate the program and equalize the cost of production in both domestic and foreign producing areas. Out of the funds thus obtained, payments are made to domestic producers at the rate of 80 cents per hundred pounds of sugar, raw value, for the first 350 short tons of sugar produced on a farm, with the payments reduced progressively downward thereafter to a minimum of 30 cents per hundred pounds on production in excess of 30,000 short tons of sugar. Thus the program gives greatest assistance to the small producer, and least assistance to the large producing units.

To qualify for Sugar Act payments, a farmer must meet certain conditions, as follows: First, he must not have produced in excess of his proportionate share of the quota for his area; second, if the grower is also a processor, he must pay fair prices to the producers from whom he buys sugar beets or sugarcane; third, the grower must pay fair wages to laborers employed by him in the production of his crop; fourth, the grower must employ no child labor. In this connection, I call attention to the fact that sugarcane and sugar-beet producers are the only segment of our agricultural producers who must comply with minimum

wage and working standards in order to participate in a governmental agricultural program.

Financially, the sugar program pays the Government a dividend, and, in that respect, it differs also from other agricultural programs. From 1934 to the end of the fiscal year 1950, taxes collected as a part of the sugar program amounted to \$987,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program totaled only \$757,387,894, leaving an excess of taxes over expenditures, and representing a net profit to the Treasury of \$230,364,522. For the past 3 years, 1948 through 1950, the average annual taxes collected amounted to a little over \$76,000,000, while expenses, including administration, and payments to growers averaged about \$61,000,000, leaving a net annual profit of approximately \$16,000,000.

Mr. President, the Sugar Act of 1948, under which we are now operating, has been of great benefit to our sugar producers by stabilizing domestic production and sugar prices. Under this legislation producers have been assured a market for a specified production of sugar, at prices which have generally been fair to both consumers and producers.

Any doubt that the Sugar Act is designed and administered for the benefit of consumers as well as producers should have been ended by the experience of the past year. Throughout almost the entire period since fighting broke out in Korea last year, world prices for sugar have been above domestic prices. In late June of this year, about the time the bill for extending the Sugar Act was introduced in the Senate by myself and 30 other Senators, the world price of sugar reached a peak of 8.05 cents per pound, f. a. s. Cuba. At that time, the duty-paid domestic price was 6.75 cents per pound, which was equivalent to approximately 5.75 cents per pound, f. a. s. Cuba. In other words, our sugar program resulted in the domestic price being stabilized at \$2.30 per 100 pounds below the level which it undoubtedly would have reached in the absence of quotas. As of August 20 the world market reached 5.40 cents per pound, f. a. s. Cuba; but Cuban producers still receive ½ cents per pound more for world sugar than they did for sugar shipped under quota to the United States.

Mr. President, during the past 2 or 3 months, some of the producers in my State of Louisiana have viewed with alarm what they considered to be excessively low prices to domestic producers, while sugar was sold on the world market by some of our foreign allies and neighbors at a greatly higher price. Despite these seeming inequities, which are sometimes difficult to explain, the quota system as embodied in the Sugar Act of 1948, when considered in its entirety, has operated effectively to the great benefit of the sugar producers of Louisiana and other producing areas, as well as to the consumers of the United States. I should like to cite at this time some of the act's accomplishments:

At the same time that the program has given stability to our domestic sugar-producing industry, it has made possible

a reduction of 75 percent in the tariff on sugar. Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history, in comparison with the prices of all other foods. Between the years 1933, the year before sugar legislation was adopted, and 1950, the average retail price of refined sugar rose from 5.3 cents per pound in 1933 to 9.75 cents per pound in 1950, a rise of 84 percent. But during this same period, the price of all foods rose by 143 percent. Thus the rise in the price of sugar to consumers has been only about 60 percent as much as the rise in the prices of food as a whole.

The shares of the consumers' sugar dollar which go to growers and laborers have increased greatly, with the result that average returns to growers per ton of sugar beets and sugarcane have increased by 170 percent since 1933, while average wage rates for 275,000 field workers in our domestic sugar beet and sugarcane areas have increased 293 percent over the 1934 level. It is interesting to note that the wages paid to sugarcane workers in Louisiana and Florida are higher than those paid in any foreign producing countries with the exception of Canada. Grower returns from sugar beets and sugarcane produced in the domestic areas rose from \$133,000,000 in 1933 to \$432,000,000 in 1950. In my own State of Louisiana, the value of last year's sugar crop was in excess of \$70,000,000, the farmers receiving about \$50,000,000 of that amount. Direct employment on a year-round basis is provided in Louisiana for more than 30,000 persons and an additional 12,000 persons are employed during the harvest season. The sugar industry in Louisiana provides employment, directly and indirectly, for approximately 168,000 people.

Mr. President, the pending bill has been considered in the House of Representatives, and after extensive hearings before the House Agriculture Committee, was passed by the lower Chamber by a unanimous vote. The House Agriculture Committee, after hearing representatives of Government and the various branches of the sugar producing, processing, and distributing industries, as well as representatives of labor and of industrial users of sugar, made only one significant revision in the bill, and that was in connection with the importation of liquid sugar from the British West Indies. Hearings were also held before the Senate Finance Committee on Friday of last week, and it is significant that during the entire hearings before both the House and Senate committees, none of the witnesses expressed opposition to the continuance of the Sugar Act. Several proposals for revisions in the pending bill were submitted to the House and Senate committees, but only the one change affecting British West Indies liquid sugar was recommended by the two committees.

The pending bill, H. R. 4521, will extend the Sugar Act for a period of 4 years, from December 31, 1952, to December 31, 1956. The excise tax on sugar would be extended until June 30, 1957, 4 years after its present date of expiration. The only other essential revisions in the act involve quotas.

With respect to quotas, those established for domestic producers and the Philippines under the 1948 Sugar Act will remain unchanged. In other words, the domestic beet sugar producers will continue to have a quota of 1,800,000 short tons, the mainland cane sugar producers a quota of 500,000 tons; Hawaii 1,052,000 tons; and the Republic of the Philippines 952,000 tons, as specified in section 211 of the Philippine Trade Act of 1946.

The quota for Puerto Rico will be increased under the pending bill from 910,000 tons to 1,030,000 tons. This should eliminate most of the difficulties that have confronted Puerto Rico under the Sugar Act of 1948, during which time its production has been substantially in excess of the quantity it could market locally and on the mainland.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. First, I wish to congratulate the committee on the report which it has made to the Senate and on the bill which it has presented to the Senate, but especially do I wish to comment on the fact that a committee of the Congress has taken into consideration the fact that Puerto Rico is an integral part of the United States of America. I congratulate the committee for allowing Puerto Rico an extra 170,000 tons.

The question which I should like to propound to the Senator from Louisiana he can answer now or later. Is it not a fact that every sugar area in the United States is allowed a certain quota?

Mr. ELLENDER. The same allowance that is contained in the present law.

Mr. CHAVEZ. Suppose the State of Louisiana produced more than its allowance: What provisions are made for the disposition of the extra amount?

Mr. ELLENDER. Does the Senator mean what would happen if Louisiana produced more than its quota?

Mr. CHAVEZ. Yes; and if some other area produced less. How is that taken care of?

Mr. ELLENDER. As I previously indicated, in order for a producer of sugar in Louisiana to get the benefits of the law, he must produce within the acreage allowed if acreage allotments are in effect, and if he produces in excess of that amount, he loses his payment.

Mr. CHAVEZ. Yes; I understand that, but suppose Louisiana stays within its quota, or possibly produces more than its quota, and another area in the United States has less than its quota, can Louisiana dispose of the extra amount which it has?

Mr. ELLENDER. No; not without those who produce the extra amount losing their benefits.

Mr. CHAVEZ. I understood that there was some provision in the bill which allowed the Secretary to readjust in such a situation.

Mr. ELLENDER. Under the law, as the Senator knows, specific quotas are established for the mainland sugarcane producers and for the beet-sugar producers. That applies also to Hawaii, to

Puerto Rico, and to the Philippines. After the mainland producers are taken care of, the remainder is allocated to Cuba and other offshore producers.

Mr. CHAVEZ. Does the offshore production provision apply to Hawaii and Puerto Rico?

Mr. ELLENDER. It refers to Cuba and other foreign countries which produce sugar. Under the bill Cuba gets 96 percent of whatever the amount is, and the other countries receive 4 percent.

Mr. CHAVEZ. What about our offshore possessions, such as Hawaii and Puerto Rico? Suppose they produce more than their quota, and another area within the United States produces less than its quota. Is there any provision by which either Hawaii, Puerto Rico, or any other offshore domestic area can be taken care of?

Mr. ELLENDER. Yes.

Mr. CHAVEZ. Will the Senator be so kind as to tell me about that?

Mr. ELLENDER. If the Senator will permit me, I shall read from the act itself, which contains a provision explaining how quota deficits are redistributed among domestic producers.

Mr. CHAVEZ. I have been informed that certain areas in the United States may produce their quotas, some may produce more than their quotas, and others produce less than their quotas.

Mr. ELLENDER. That part of the law permitting redistribution of quotas has been retained.

Mr. CHAVEZ. I understood that to be the fact, but I also understood that there was some provision which gave authority to the Secretary to make readjustments as between those States which did not produce their quotas and those States which produced more than their quotas.

Mr. ELLENDER. The specific section to which the Senator has reference is section 204 (a), near the bottom of page 3 of the pending bill, which reads:

SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect.

Mr. CHAVEZ. I understand that, and I want to thank the Senator for reading the paragraph. I wish to congratulate the Senator again for at least giving the Secretary the right to do justice to our own producers.

Mr. LEHMAN. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield.

Mr. LEHMAN. I understand that under section 202 (a), which the Senator has just read, the Secretary of Agriculture will have the power to reallocate the sugar quotas held by areas which cannot fill their assigned quotas. Am I to understand that under such circum-

stances preference would be given domestic areas, including Puerto Rico and Hawaii, which may have a surplus, before allocations are made to foreign producers?

Mr. ELLENDER. Yes, as to deficits of domestic areas and Cuba. A provision of the 1948 act which prevents domestic areas from participating in deficits when total requirements are less than 7,000,000 short tons has been eliminated in the pending bill.

Mr. CHAVEZ. This is the first time that has been done. I want to congratulate the Senator on that point. So far as Puerto Rico is concerned it means a great deal to her in being able to get on her feet.

Mr. LEHMAN. I also wish to congratulate the Senator from Louisiana.

I am advised that the House committee report contains the suggestion that it would be desirable at some future time, not now, to resurvey the allocations of refined sugars. I simply want to express the hope that that will be done in due course.

Mr. ELLENDER. Yes. Of course, there is nothing to that effect in the bill itself. It is only a suggestion which appears in the House committee report.

Mr. LEHMAN. I understand that, but it seems to me a very equitable and fair suggestion, and I wish to associate myself with it.

Mr. ELLENDER. The bill makes provision for a limited period, and, as time goes on and studies are made, changes, of course, if necessary, will be made.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. If the Senator has no objection, I think it would be advisable that the portions of the House committee report and the Senate committee report dealing with the matters we have been discussing should be placed in the RECORD, so the general public will know that the two committees are concerned about that matter, and are giving consideration to it.

Mr. ELLENDER. Does the Senator from New Mexico desire to have those matters placed in the RECORD?

Mr. CHAVEZ. I simply wanted to call the matter to the attention of the Senate, but I shall perhaps have 3 or 4 minutes after the Senator has concluded, and I shall place them in the RECORD.

Mr. ELLENDER. The Senator will place them in the RECORD in his own time?

Mr. CHAVEZ. Yes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. I should like first of all to congratulate the Senator from Louisiana on the fair treatment which Puerto Rico has received. I should like to ask one or two questions. I think we passed a sugar bill 3 years ago or possibly 4 years ago, at the time when Cuba had defaulted on some of her bonds. The distinguished Senator will remember that at that time in the bill dealing with sugar allotment it was provided that the Secretary of the Treasury should have the right to retain any money owing

Cuba until the indebtedness on the bonds was repaid. I should like to ask the distinguished Senator whether in the pending bill there is any reference of any kind or character to that provision.

Mr. ELLENDER. No. It has been eliminated.

Mr. LANGER. I congratulate the Senator on that. I always believed that the people of Cuba were horn-swoggled by reason of that provision having been placed in the bill. I am delighted that such a provision has been eliminated, because it will give the sugar producers of Cuba a square deal.

Mr. CHAVEZ. I am sure the Senator will agree with me that the committee did the right thing by eliminating that provision, because it did not belong in a quota bill.

Mr. ELLENDER. Yes. It had nothing to do with the sugar quota whatever.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes.

Mr. WHERRY. The price of sugar in the United States is lower than the world price, is it not?

Mr. ELLENDER. Yes.

Mr. WHERRY. How does that happen? Do we sustain the world price?

Mr. ELLENDER. We have a certain fixed amount of sugar coming into the country, which has a tendency to stabilize the price; and it so happens that today the foreign sugar remaining above that amount is sold on the world market at a higher price. When Cuba sells to us, she sells at our market price in order to fill her quota. But for other sugars which the Cubans today are selling on the world market, they receive approximately a half cent a pound more.

Mr. WHERRY. That does not affect our producers?

Mr. ELLENDER. No, indeed.

Mr. WHERRY. I understand that. Who fixes those prices?

Mr. ELLENDER. There is no price fixing.

Mr. WHERRY. Does the International Food Board have anything to do with it?

Mr. ELLENDER. No. In other words, the amount of sugar that comes into this country is established.

Mr. WHERRY. Yes; by quota.

Mr. ELLENDER. And that has a tendency more or less to make the price stable. The Senator will remember that sometime ago, when a few commercial users desired cheaper sugar, some effort was made to raise the domestic-consumption requirements, which of course would have the tendency of lowering the price. The fixing of quotas based on the amount of sugar needed from year to year, is really what causes the price to remain more or less stable. But the sugar price itself is not fixed.

Mr. WHERRY. The question goes further than that. Is there anyone who has authority to increase the quotas or decrease the quotas so that the price will not be affected?

Mr. ELLENDER. The Senator means the consumption requirement?

Mr. WHERRY. Yes.

Mr. ELLENDER. Yes.

Mr. WHERRY. Who has that authority?

Mr. ELLENDER. The Secretary of Agriculture.

Mr. WHERRY. Is his use of that authority responsible for the price?

Mr. ELLENDER. I might say to my distinguished friend from Nebraska that I remember several occasions in the past when the sugar price was going up a little higher than was anticipated. In order, I suppose, to stop the price from going too high the consumption requirements were increased. That action caused the price to come down somewhat and therefore stabilized it. Scarcity of sugar will, of course, make the price go up. Naturally, if the scarcity is relieved, and more sugar permitted to come in, it has a tendency to lower the price of sugar.

Mr. WHERRY. That is the point I am making. What does the Secretary of Agriculture attempt to do in this long-range program about the price of sugar in the United States? Is it his idea to let enough sugar to come in so that the price in the United States is lower than the world price?

Mr. ELLENDER. That happens once in a while. I mentioned it simply to show that the consumer benefits from this procedure.

Mr. WHERRY. I understand.

Mr. ELLENDER. The consumer benefits as well as the producer. The Senator well knows that what causes a slump in the price of any commodity is a supply in excess of demand. If, in the administration of this act, the Department of Agriculture limits the importation of sugar to the extent necessary for our consumption requirements, it has a tendency to stabilize the price, and that is the advantage of the quota system.

Mr. WHERRY. But in the final analysis that is accomplished by giving producers larger quotas. If that is to be done, why does not the producer in this country obtain a larger quota for the production of sugar?

Mr. ELLENDER. That is a question for debate.

Mr. WHERRY. I am not debating it. I am simply asking a question of the Senator.

Mr. ELLENDER. The Senator well knows that the quota is fixed for domestic producers in proportion to what they are able to produce. As will be recalled, from time to time we raised the amount allotted to the sugarcane growers in Florida and Louisiana, as well as the sugar beet growers throughout the country.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. WHERRY. Is there any restriction at all on the Secretary of Agriculture, or does he have complete authority?

Mr. ELLENDER. He has full authority within the limits imposed by the Sugar Act. Let me read to the Senator the yardstick or criterion which he must follow. It is found on page 3 of the 1948 act:

In order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers

and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

All those factors must be taken into consideration. It is the responsibility of the Department of Agriculture to insure that prices remain at such a figure as will give to the growers a reasonable profit, and at the same time enable the consumers to buy sugar at a fair price.

Mr. WHERRY. I understand the objective; but how many times has the Secretary of Agriculture permitted additional quotas to come into the United States, say, during the past year?

Mr. ELLENDER. As I recall, during 1950 he twice raised the consumption requirements.

Mr. WHERRY. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I yield.

Mr. WHERRY. Was that situation made necessary because there was not as much production as was anticipated in this country, or because there was a reduction in acreage?

Mr. ELLENDER. There was an increase in consumption.

Mr. WHERRY. A consumption increase here?

Mr. ELLENDER. That is correct. That was the determining factor.

Mr. WHERRY. The only point I am raising is this: First, I could not see why the price in the United States, if we are attempting to obtain an even keel in the price of sugar to the consumer, should be lower than the world price. It does not affect the producer. I can see that. It is probably helpful to the industry. But, on the other hand, if the policy in carrying out that purpose is to increase quotas, I wonder whether the sugar producers in my section are not entitled to more acreage and to obtain an increase in quotas.

Mr. ELLENDER. The price of sugar went up on world markets as a result of the development of the Korean situation. That was the reason for it, and none other. As a whole, I believe that the act is administered to the end, as I have said, that the producer of sugar gets a fair price for his product, and the consumer gets a break in the price paid.

Mr. WHERRY. That is an entirely different answer from the answer which the Senator gave me in the first instance. I can see why the Korean situation should call for increased allotments. I understood the Senator to say in his first answer that it was because of increased consumption in this country.

Mr. ELLENDER. Yes. There was heavy buying of sugar in this country immediately after the Korean War broke out and reserve stocks of sugar were rapidly depleted. As a matter of fact, although the producing areas in this country have fixed quotas, we have not had an acreage allotment on individual producers in recent years, because the mainland sugarcane and beet-sugar producers have been able to market all of their production under the quotas established in the 1948 act.

Mr. WHERRY. Does the Senator mean that there is no acreage limitation on sugar production?

Mr. ELLENDER. Not now.

Mr. WHERRY. There is a quota.

Mr. ELLENDER. Actually, the beet-sugar producers—

Mr. WHERRY. I do not mean an acreage limitation. I mean a quota limitation.

Mr. ELLENDER. As a matter of fact the beet-sugar area did not produce the amount they could have marketed under their quota.

Mr. WHERRY. Is there no limitation on the production of sugar in the United States today?

Mr. ELLENDER. Surely.

Mr. WHERRY. What is it?

Mr. ELLENDER. Does the Senator mean at present?

Mr. WHERRY. Yes.

Mr. ELLENDER. There is no limitation on individual producers.

Mr. WHERRY. We can produce as much as we want to produce?

Mr. ELLENDER. Yes, but the producers from an area cannot market above the quota for the area.

Mr. WHERRY. That is the point. So we are on a quota?

Mr. ELLENDER. Certainly.

Mr. WHERRY. I do not mean an acreage limitation. We are on a quota.

Mr. ELLENDER. That is correct.

Mr. WHERRY. The point I wish to make is this: If there is an increased consumption of sugar in the United States, do our producers get a corresponding increase in quotas in order to meet the demand?

Mr. ELLENDER. No.

Mr. WHERRY. Why should they not?

Mr. ELLENDER. The quotas are fixed in the law.

Mr. WHERRY. Yes; the quotas are fixed in the law. However, someone has the power to permit sugar to come in.

Mr. ELLENDER. The various domestic producers agreed to the quotas that are in the 1948 act. As I stated in my opening remarks, this bill is the result of conferences with the users, the producers, and all others concerned, and they have all agreed to its provisions.

Mr. WHERRY. I am not objecting to that. In fact, I am a cosponsor, because that is the way the problem must be handled. All I am asking about is the increase in quotas. The determination is made by the Secretary of Agriculture. If more sugar is consumed in this country because of an increase in population or because of an increased use of sugar by the consumers, and if the increased use of sugar by the consumer is apparent, and the Secretary of Agriculture is

given the authority to increase the importation of sugar by quotas, why should not our producers have the right to get at least their percentage of increase in the quota?

Mr. ELLENDER. As I have said, the quotas are fixed in the law.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLIKIN. I think there are two things which must be considered in this connection. First, what is the domestic limit which we can produce? The second factor goes back to the farm level. We do not now have an acreage limitation, as the Senator pointed out a while ago.

Mr. WHERRY. I understand that.

Mr. MILLIKIN. At the present time I doubt whether the producers of sugar are meeting their full quota. Therefore, if there were a greater demand for domestic sugar, those who produce sugar would be entitled to produce it to the maximum limit for domestic production.

Mr. WHERRY. I thank the Senator from Colorado for that answer. That is what I thought the answer should be. There is no difficulty about the producer having the right to produce the sugar which is needed.

Mr. MILLIKIN. The producer can produce up to the limit allocated to the United States. It is my understanding that in recent years domestic production has not reached that level, because of the competition of other crops.

Mr. WHERRY. More profitable crops.

Mr. MILLIKIN. Yes, more profitable crops.

Mr. ELLENDER. That is what I was about to call my friend's attention to. The quota for beets is fixed at 1,800,000 tons. However, that quota has not been reached, and the beet-sugar producers have agreed to the 1,800,000-ton quota. The Florida and Louisiana producers are also agreeable to retaining their 500,000-ton quota.

Mr. WHERRY. I was not confining my question to sugar-beet producers. I am asking about producers of sugar in the United States. I appreciate the answer of the Senator from Colorado. I am very grateful for the answer which the Senator from Louisiana said he was about to give, because I think that is a complete answer to the producers of sugar. The fact is that other crops have been very profitable, and there is no question that farmers are producing the most profitable crops. Therefore, there is no question that the producer is well satisfied with the Sugar Act.

Mr. ELLENDER. Mr. President, the quota for the Virgin Islands would be increased from 6,000 tons to 12,000 tons. This increase should help to make it possible for the Virgin Islands Corporation to prevent losses in the future, as directed by Congress.

Another change in the quotas would restore the relative participation of Cuba and full-duty countries in the United States market to the percentage participation they held in the prewar period, 1937 to 1941. The 1948 Sugar Act gave Cuba 95 percent of the Philippine deficit and only 5 percent to the full-duty coun-

tries. Under the Sugar Act of 1937, the full-duty countries had received a basic quota plus all of the deficits resulting from the failure of the Philippines to fill their quota. Operating under the 1937 Sugar Act, imports from full-duty countries amounted to 4 percent, and those from Cuba amounted to 96 percent of our total imports from foreign countries in the years 1937 to 1941. The pending bill will restore to the full-duty countries their prewar percentage of United States consumption by allocating to them 4 percent of our total consumption, after deducting the quotas established for the domestic producers and the Philippines; the remaining 96 percent will be allocated to Cuba. Also, the Cuban's share in the Philippine deficit will be increased from 95 percent to 96 percent, while the full-duty countries' quota will be correspondingly decreased from 5 percent to 4 percent. There has been some talk, Mr. President, about the pending bill taking something away from Cuba. It is true that under the proposed quota system the additions to the Puerto Rican and Virgin Islands quotas, as well as those to the full-duty countries, will come out of the allotment that ordinarily would have gone to Cuba, but it must be remembered that the special treatment afforded Cuba in the 1948 Sugar Act, at the expense of the domestic producers as well as the full-duty countries, was a purely temporary measure designed to assist the Cuban industry in adjusting itself during the years immediately following World War II. There was never any intention on the part of Congress in enacting the 1948 Sugar Act to perpetuate these special advantages to the Cubans. The House Agriculture Committee, in its report accompanying the 1948 Sugar Act, emphasized that the new act was designed to meet problems of the temporary postwar transition period and was not to be regarded as the establishment of long-time national sugar policy. As pointed out in the House Agriculture Committee's report on the pending measure, the anticipated depression in the Cuban sugar industry during the postwar years never did occur, largely because of substantial increases in our own consumption requirements during the postwar years. The 1951 Cuban crop is estimated at over \$700,000,000, which is second only to the highly inflated value of their 1920 crop. Mr. President, Cuba is indeed given a most favorable position under the pending bill, because the measure assures Cuba of the major share of all increases in domestic sugar consumption during the life of the program, or until December 31, 1956. While the quotas of the domestic producers and of the Philippines are established at set figures, Cuba's allotment will amount to 96 percent of our total consumption requirements after deducting the quotas to be furnished by the domestic and Philippine producers, and, in addition, the Cubans are also guaranteed 96 percent of any Philippine deficit. Next to the domestic areas, Cuba has received the greatest benefit from our sugar legislation. Cuban sugar producers in 1933 received 1.1 cent per pound, free along ship, for sugar shipped to the United

States; in 1950 they received 5.1 cents per pound, an increase of 360 percent. Sugar imports from Cuba rose from 1,552,000 short tons in 1933 to 3,264,000 short tons in 1950. Cuba's income from sugar shipped to the United States in 1950 was a little more than nine times as large as the income in 1933, and the value of United States exports to Cuba in 1950 was more than 18 times the value of such exports in 1933. Because of America's favored position in trade with Cuba, it has been to our decided advantage in building up a sound sugar industry in our neighboring country, and I, for one, can assure the Cubans that I desire to continue those friendly relations.

Mr. President, the proposed bill will also modernize the basis for prorating the full duty quota among the respective countries. At present the full duty quota is prorated on the basis of a regulation which, in turn, is based on imports during the years 1926, 1929, and 1930. The bill provides that this proration be made on the basis of the postwar years, 1948, 1949, and 1950.

At the Senate Finance Committee hearing one of the witnesses appeared in behalf of the American Molasses Co. with the recommendation that the definition of liquid sugar in the act be amended so as to permit the tax-free entry of high-grade or so-called fancy molasses from Barbados. The committee gave very serious consideration to this proposal and concluded that the provision which the House has already made for West Indies molasses is adequate. The House, on recommendation of its Committee on Agriculture, amended the bill to provide a liquid sugar quota of 300,000 gallons for the British West Indies. In view of the fact that the total amount of edible molasses imported from Barbados has ranged from 87,000 to 902,000 gallons in the past 10 years, this quota of 300,000 gallons should, without doubt, provide means for the entry of any molasses which may happen to come within the definition of liquid sugar.

It should be kept in mind that by reducing the "nonsugar solids" from 6 percent to 5 percent, the amount of sugar in the tax-free molasses would actually be increased. This tax-free sugar would compete with domestic cane and beet sugar.

It should also be known that this suggested amendment would be for the benefit of one company only, the single company in a great industry to make objection to the bill. This company throughout the years has shown a substantial profit on its operations, and a particularly nice profit last year, under the act as it is now written. The House has been very generous. In my opinion, any further relaxation would merely provide a loophole in the tax arrangement which is an integral part of the Sugar Act.

A witness appeared in behalf of the industrial users of sugar. He recommended that the term of this extension be for only 2 years and that a provision be included to require the Secretary of Agriculture, in making his estimate of sugar requirements, to use a figure which could never be less in any year than the average amount of sugar distributed in the two preceding years.

As to the life of the act, it would be unwise to make the Sugar Act subject to expiration and amendment on so short an interval as 2 years. It takes almost that length of time to plan, prepare land, plant and harvest a crop of sugar beets. In the case of sugarcane, the cost of planting is extremely high and only the fact that from two to five crops can be harvested from one planting make it profitable to raise. So you see that the very laws of Nature make such a suggestion impracticable and impossible. Crop rotations must be planned for a longer period, and farmers simply would not be interested in raising sugar crops which would be subjected to the uncertainties of legislation every 2 years.

Sugarcane now being planted in Hawaii and Puerto Rico will not be harvested until 1953. Sugar beets planted in the Imperial Valley of California a few weeks from now, and crops planted in the sugar beet and mainland cane areas next spring will be sold at prices based at least in part on the price of sugar during 1953. Therefore, if our sugar legislation is to be fully effective in stabilizing domestic production, the legislation needs to be extended promptly, and the program should be set up for a minimum of 4 years, as provided in the pending bill, so that growers will know at the time they plant their crops that it will be in effect at marketing time. That is why I, along with 30 other Senators, introduced legislation this year to extend the present act, rather than wait until just before the act expires next year.

The recommendation made by the same witness in regard to consumptive estimates likewise has no merit. It would appear to be an effort on the part of certain large industrial users to force down the already extremely low price of sugar. The Secretary of Agriculture, under the present terms of the act, is required to provide a supply of sugar adequate for the needs of consumers at fair and reasonable prices. The standards in the act relating to the determination of sugar requirements are clear. They give balanced consideration to the needs of consumers and the protection of producers. If an arbitrary limit, either a minimum or a maximum, as suggested by the representative for certain industrial users, were written into the act, it would limit the ability of the Secretary to make the best possible determination. The record of the administration of this sugar legislation over the past 17 years has demonstrated beyond any doubt that the consumers of sugar have had their interests given full consideration. They have been provided with enough sugar to keep our per capita consumption more than three times the average for the world and they have been able to buy this sugar at lower prices than those that prevail in any countries in the world, except those which pay a direct consumer subsidy.

House bill makes a few other minor changes in the Sugar Act of 1948, all of them for the purpose of providing administrative simplicity and flexibility in administering the program.

Mr. President, in this brief statement, I have covered the changes in the 1948 Sugar Act that are contemplated under

the pending bill. I am firmly convinced that if we are to preserve within the United States the ability to produce a substantial proportion of this vital food product so essential to American consumers, the Sugar Act must be continued. Production of sugar beets and sugarcane, as well as the production of other crops, is largely based on the confidence farmers have in their ability to make money on that crop. If that confidence is destroyed, sugarcane growers and particularly sugar-beet growers would turn to more lucrative pursuits. This proposed act should be passed immediately, so that the farmers, particularly those in the beet area, may know what to expect in regard to their next crop of sugar beets, preparation for which must begin this fall. Unless full crops of sugarcane and sugar beets are planted, the amount of domestically produced sugar will be reduced; and if such reduction occurred during a period of shortage, it could be disastrous. For instance, if beet-sugar production had been as low in 1950 as it was in 1948, no supply of beet-sugar would be available now.

If domestic production were cut, industrial users and consumers generally would lose the protection afforded by having a part of their supplies come from several competing domestic sources. The recent situation in the world market, in which there has been only one important seller, greatly illustrates the danger of having inadequate competition among sellers.

Unless the Sugar Act is continued, it is reasonable to expect that it will become necessary to return to a policy of high tariff protection, despite its recognized inability to protect either users or producers. Such a reversal of policy would be a serious blow to Cuba and our other foreign suppliers, and would certainly adversely affect our position in international undertakings to reduce world-trade sugar barriers and increase world sugar consumption.

The proposed Sugar Act is a result of 18 years of careful study and experience. The ability of this proposed legislation to protect users of sugar as well as producers has been clearly demonstrated. It has been most effective in assuring to farmers and to laborers in the field the same benefits afforded the industry. It has been the means by which foreign suppliers have been aided and our export trade increased. Precedents have been established which insure domestic areas quota revisions when and if they are necessary. Other amendments may be necessary from time to time as conditions change, but the Sugar Act of 1948 and the proposed revisions which we are now considering, in my opinion, constitute the most desirable and effective method that has yet been devised for dealing with our domestic sugar problems. I earnestly urge that the bill, without amendment, be given the approval of this body.

Mr. CHAVEZ. Mr. President, I interrupted the Senator from Louisiana, when he was making his statement on the pending bill, to congratulate him and the other members of the committee who prepared the bill for doing justice to Puerto Rico. It is the first time, to my

knowledge, that a Senate committee has actually done the right thing by Puerto Rico, insofar as sugar is concerned.

Puerto Rico was taken over by the United States in 1898; and since that time, up to the present, Puerto Rico has been nothing else than a part of the United States. Its people have answered all calls to serve the United States, and they have done their duty as citizens of the United States. They were declared to be citizens under the Jones law of 1918.

Since 1898, Puerto Rico and its people have been trying to get on their feet. They have only one product; namely, sugar. Naturally they wish to do as much as they can, in order to better their economic standards, with the crop they produce. Heretofore they have been handicapped for the reason that up to this time congressional committees have treated the citizens of Puerto Rico as if they were foreigners, insofar as the law is concerned.

This committee has voted to increase the quota for Puerto Rico by 170,000 tons of cane sugar. That is making progress, Mr. President. However, the best part of it is, not the fact that the committee reported an increase of 170,000 tons, but the fact that the committee realized that Puerto Ricans are part of the United States and are citizens of the United States.

I am calling these facts to the attention of the Senate for the reason that the sooner we treat Puerto Ricans the same way that we treat all other Americans, the sooner we shall be able to help them get on their feet.

They are not asking for charity, they are not asking for any particular privilege. They are saying, "Those who raise sugar beets in Colorado, Nebraska, and elsewhere are entitled to the protection of the laws of the United States applicable to their industry. We plan to raise sugarcane in the island of Puerto Rico, and all we ask is that we be similarly treated. We ask no special privilege." I am glad the committee has arrived at the conclusion that, if there are to be no benefits whatever in the matter of distribution of additional amounts of sugar outside the quota, Puerto Rico will be treated as any other possession of the United States. That is making progress.

Let me call attention to what I have in mind; and let me say at this point, I think the Puerto Ricans are entitled to this consideration. In World War I, Puerto Rico furnished the armed services with approximately 45,000 of their sons; in World War II, with about 100,000; and, even at this very moment, 65 regiments of the United States Army—not the UN Army—in Korea, are Puerto Ricans. Mr. President, anyone who goes to Walter Reed Hospital or to the Naval Hospital may find wounded Puerto Ricans, sometimes triple amputees, who are in their present condition simply because they followed the American flag. Hence, the committee is to be congratulated; and I again congratulate the Senator from Louisiana and the committee upon having realized that the Puerto Ricans should be treated as other citizens of the United States are treated.

As Puerto Ricans, they are not entitled to a thing; as American citizens, they are entitled to all the benefits of the law; and that is all the committee recommends, in this instance.

While it is true that the committee allowed the Puerto Ricans an additional quota of 170,000 tons, there is one matter to which I desire to call the attention of the Senate. Americans desire to live normal lives. They want nothing but fair play. There is one feature of the sugar business which is not fair to Puerto Rico, and that has to do with the permissible production of refined sugar. The committees, both of the House and of the Senate, took cognizance of that fact. I desire to call the attention of Senators to the wording of the report of the House committee with reference to the refining of sugar in Puerto Rico. I read from page 14 of the report:

The committee was asked to consider an increase in the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota. At the present time, Puerto Rico is limited to shipment of 126,000 tons of refined sugar to the mainland.

Mr. President, remember that Puerto Rico has but one customer, and that is the United States. Cuba can sell throughout the world, the Filipinos can sell throughout the world, Jamaica can sell throughout the world; Colombia, Peru, and every other producer of sugar can sell throughout the world. But so far as Puerto Rico is concerned, their only customer is the mother country, the United States. Any way, under the law, Puerto Rico is allowed to ship 126,000 tons of refined sugar to the mainland. I read further from page 14 of the report of the House committee:

It refines, of course, that sugar which is used domestically, but the total of approximately 236,000 tons which is now refined in Puerto Rico is only about one-half the refining capacity presently available on the island. Puerto Rico's quota of refined sugar has not been increased since the establishment of sugar quotas in 1934, and no change is made in the refined-sugar quotas in this bill.

For this reason—and I again read from the report of the House committee, at page 14:

The committee feels that some adjustment might well be considered in the proportion of the Puerto Rico quota which can be refined on the island, but it felt that this question is a matter distinctly separate from the assignment of over-all production quotas, with which this bill is concerned—

Mr. President, a reading of the bill will verify the correctness of that statement. The only subject with which the bill deals is that of sugar quotas from sugar-producing areas. Reading further from the House committee report—but it felt that this question is a matter distinctly separate from the assignment of over-all production quotas, with which this bill is concerned, and it believes that this matter should be taken up separately and at another time.

Mr. President, eternal justice ultimately prevails; and I am a great believer in the adage that righteousness will ultimately prevail. A committee of the Congress has taken notice of the fact

that we have been unfair to the Puerto Ricans in not allowing them to produce more than one-half the refined sugar which they are capable of producing. How do we expect a little island with an area of 3,435 square miles to get on its feet economically when we, the "Big Papa" recognize that they produce a crop, but do not allow them to refine it? Whatever may be said, it is unfair and unjust. I believe in due process of law, and I like order in bringing about reforms. I am happy, now, that both committees have taken cognizance of the propriety and necessity of applying those principles to Puerto Rico. The Senate committee, realizing that necessity in referring to this matter in its report, on page 13, says:

With reference to the question of increasing the amount of refined sugar which can be shipped to the mainland from Puerto Rico as part of its quota, the committee feels that quotas on refined and direct-consumption sugar are part of the comprehensive philosophy of the Sugar Act of 1948.

It is to that statement that I disagree with the Senate committee. Neither the 1948 act nor this bill deal in any way, shape, or form with the philosophy as to whether sugar should be refined in the United States or in Puerto Rico.

I read further from the report of the Senate committee:

The committee feels that quotas on refined or direct-consumption sugar are part of the comprehensive philosophy of the Sugar Act of 1948, which places restrictions on every segment of the domestic industry, and should not be considered separately.

The House committee says the situation is so serious and merits so much attention that it should be considered separately. The Senate committee says it should not be treated separately.

I read further:

The quotas for each unit of the domestic industry are so interrelated in the production and distribution of both raw and refined sugar that a change in one would require a reconsideration of all.

If it was necessary to look into that matter, why was not attention given in the bill to the question of an additional amount of sugar to be refined in Puerto Rico?

I read further:

The committee agrees generally with the statement made before the committee by the representatives of the domestic sugar industry "that the fabric of the law is one piece"—

May I say in all kindness, without blaming the committee at all, that I think that is the main difficulty? The refiners in this country prefer to get their raw sugar from Puerto Rico, refine it themselves, and make the profit themselves, rather than let American citizens in Puerto Rico get on their feet. That is the whole question. I am sorry that the committee fell for that kind of an argument.

The committee agrees generally with the statement made before the committee by the representatives of the domestic sugar industry—

That is, before the Senate committee. There was not a word before the House committee. The representatives of the sugar refiners were rather concerned

about the language of the House report. Therefore they went before the Senate committee.

The representatives of the domestic sugar industry said—

that the fabric of the law is one piece, that it makes a complete and indivisible whole—

If the fabric of the law is one piece, why, then, was not the additional quota of refined sugar from Cuba considered in the bill? I read further—

and that, because of the interdependence of its provisions and certain results, a single subject, such as for example the size of an insular refined quota, cannot be divided for separate consideration.

Why not? If we can divide the sugar-cane that can be produced, if we can allow a quota on what is to be produced, under this bill, why not consider the equity of allowing them more refined sugar?

However, ample protection is afforded all areas in that the duration of the proposed legislation is for only 4 years.

There is no question in my mind, after reading the two reports, that both the House committee and the Senate committee knew that the proposition of whether or not Puerto Rico should refine more of its domestic sugar on the island gave the committees some concern. The idea of 4 years is all right, and the recognition of the fact that it is of some concern is all right, but why wait 4 years if they are entitled to it? Why not do justice to our own people? I hope that one of these days a committee which has jurisdiction of these matters, whether it be the Finance Committee, which I think has jurisdiction of the subject, or some other committee, will look into the question.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. GEORGE. I may say to the Senator that since the beginning of sugar legislation, back when the committees considered the Costigan bill, and even prior to that, but at that time particularly, when the question of quotas arose, it was deemed necessary by the whole industry, as the distinguished Senator from Louisiana has made clear to the Senate, to take into consideration the amount of refined sugar which should be admitted under the quota system from the offshore producing areas. That question, of course, was very carefully weighed and considered.

Mr. CHAVEZ. I can understand that, but I want to differentiate between an offshore country that is a foreign country and an offshore island that is a part of the United States.

Mr. GEORGE. But offshore countries that are sugar producers, whether they are a part of the United States or are independent countries, as in the case of Cuba, are interested in the question of the refined-sugar quota. Here is the situation which appealed to the committee: It was not with any desire to discriminate against Puerto Rico, but it was deemed by the committee, since the early days when we considered sugar legislation, to be desirable and, indeed,

essential to maintain the sugar-producing areas in the United States, whether beet or cane, in some reasonable proximity to their own refineries.

It is perfectly obvious that we can put out of business American refineries if we permit the importation of an adequate amount of refined sugar because, even in Puerto Rico, although it has been a part of this country since a certain date, wages are so much lower that it would be quite possible, if all quota countries were to have the right to have an unlimited quota of refined sugar brought into the United States, very seriously to affect the refining industry in this country. Frankly, the committee is of the opinion that it is essential to the beet producers and the cane producers to have and to maintain reasonable refining facilities within continental United States in order to carry on and to make profitable this great industry which we have undertaken to foster, not because we could produce enough sugar to meet our total demand but because it was deemed necessary to maintain the sugar industry in times of stress and in times of great international upheavals brought about by world wars.

The Senator from New Mexico is quite correct in saying we should consider these matters, and the committee desires to do so, but the success of the Sugar Act depends pretty largely on agreement with segments of the industry. During the 4 years the act will be in operation I think we will have ample opportunity to study the matter.

Mr. CHAVEZ. Please understand me. I think great progress has been made, even with respect to the refining end, because at least refining is being considered, given cognizance and notice in the work of the committee.

Let me call the attention of my good friend, the Senator from Georgia, to certain facts. In 1934 a sugar act was passed. In that year the distribution of refined cane sugar by primary distributors in the continental United States, not offshore, was 4,931,000 short tons. By 1950 the consumption had so risen that the distribution in the United States amounted to 6,586,000 short tons. While Puerto Rico, which in 1935 was allowed to produce 127,000 short tons, by 1950 had been reduced to 126,000 short tons. In other words, because of our increased consumption needs, the increase for continental refiners, which in 1934 had been 4,931,000 short tons, rose to 6,586,000 short tons in 1950, while Puerto Rico, which in 1935 was allowed to produce 127,000 tons, in 1950, was allowed to produce only 126,000 tons. It does not appear to the Senator from New Mexico, at least, that due consideration has been given Puerto Rico. My appeal is not for Puerto Rico as such.

Mr. GEORGE. I understand the Senator.

Mr. CHAVEZ. My appeal is that she be treated as a part of the Union. It is said that we are obliged to provide money for Puerto Rico. I believe in the people of each area trying to take care of their own.

Mr. GEORGE. I am sure the Senator, if he studies the question, will agree

that we would not want to disturb the industry in the continental United States.

Mr. CHAVEZ. No; I do not want to see that done.

Mr. GEORGE. We have a problem before us, and we recognize it. The committee thinks that the problem should be considered as a whole, and not in segments.

Mr. CHAVEZ. Mr. President, in conclusion, I ask unanimous consent that a letter written to the Resident Commissioner of Puerto Rico under date of August 20, 1951, and signed by Harold K. Hill, Acting Administrator, together with a table showing increased distribution and entry data, from 1934 to 1950, be printed in the Record at this point in my remarks.

There being no objection, the letter and table were ordered to be printed in the Record, as follows:

AUGUST 20, 1951.

HON. A. FERNÓS-ISERN,

DEAR MR. FERNÓS-ISERN: This is in reply to your letter of August 7, 1951, requesting certain information regarding the distribution and entry of sugar into the continental United States.

There is enclosed a tabulation which I believe will give you the information you desire. The columns have been numbered to agree with your questions.

If we can be of any further service, please call on us.

Sincerely yours,

HAROLD K. HILL,
Acting Administrator.

Sugar distribution and entry data, 1934-50
[1,000 short tons, raw value]

Year	(1) Distribution of D. C. cane sugar by primary distributors in United States ¹	(2) Entries of D. C. sugar from Cuba and the Philip- pines ²			(3) Production of cane sugar by continen- tal refiners	(4) Entries of D. C. sugar from Puerto Rico ²
		Cuba	Phil- ip- pines	Total		
1934...	4,931	415	71	486	4,177	100
1935...	5,276	401	78	479	4,509	127
1936...	5,407	443	63	506	4,518	127
1937...	5,500	383	68	451	4,828	126
1938...	5,260	375	66	441	4,577	123
1939...	5,189	363	76	439	4,466	149
1940...	5,517	375	60	435	4,635	175
1941...	6,187	378	59	437	5,484	126
1942...	3,972	387	1	388	3,459	96
1943...	5,276	389	0	389	4,589	108
1944...	6,304	400	0	400	5,431	78
1945...	5,288	349	0	349	4,806	109
1946...	4,644	366	0	366	4,018	120
1947...	6,165	403	0	403	5,544	132
1948...	5,764	376	0	376	5,063	122
1949...	6,137	368	1	369	5,515	125
1950...	6,586	375	0	375	5,947	126

¹ Cane sugar refiners, importers of D. C. sugar and mainland cane mills.

² Small quantities of D. C. sugar entered from full-duty countries not included. Since no D. C. quotas are established for these countries under the Sugar Act, the data have not been tabulated.

Mr. FULBRIGHT obtained the floor.

Mr. GEORGE. Mr. President, will the Senator yield to me for a moment? I must go to a committee meeting.

Mr. FULBRIGHT. I yield.

Mr. GEORGE. If there is to be no further discussion of the sugar bill, I suggest that we be allowed to dispose of the bill at this time.

Mr. FULBRIGHT. I wish to discuss the sugar bill for not more than 10 minutes.

Mr. GEORGE. Excuse me. I did not know the Senator was going to discuss the bill.

Mr. FULBRIGHT. I wish to say a few words about the sugar bill.

Mr. GEORGE. That is quite all right. I thought there was no further discussion to be had at this time.

Mr. FULBRIGHT. Mr. President, yesterday, when the majority leader moved to make House bill 4521 the unfinished business, he referred to it as a "little bill" which could be disposed of in short order. While I am aware of the futility of attempting to delay the consideration of the bill, or to have it so revised as to show some consideration for the consumers and taxpayers of this country, I do want to do what I can to correct the notion that this is a "little bill."

I may say that I spoke at some length 2 years ago on this subject, and discovered at that time how well organized are the interests supporting this legislation.

In terms of the number of pages in House bill 4521, the statement as to its being a "little bill" is correct, but in terms of its cost to taxpayers and consumers, and in terms of the legalized subsidies which it would continue to hand over to producers, the statement is not correct. In fact, the bill provides for one of the largest hand-outs in all our domestic legislation.

According to a Washington Post article appearing in the issue of June 29, 1951, the Sugar Act program, which this bill would continue with relatively minor changes, is by far the most expensive of all the agricultural programs, including that for potatoes, about which there has been so much controversy and agitation. I am almost ashamed of all the fuss which has been raised over a few bad loans by the RFC, when I realize what very small amounts were involved compared to the payments under this bill.

The Washington Post article referred to, from information taken from the April 30 report of the Commodity Credit Corporation, states that the sugar program had cost \$900,665,083 between the date of the article and 1934. For the same period, according to this article, price-support programs for all other commodities had cost \$912,575,612.

Mr. President, for the information of the Senate, and because this article has been challenged, I ask unanimous consent that it be inserted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUGAR PRICE SUPPORT IS COSTLIEST OF ALL
(By John W. Ball)

The American taxpayer has shelled out more than \$900,000,000 to support the price of sugar since 1934, almost as much as the total cost of supporting the prices of all other agricultural commodities.

The April 30 report of the Commodity Credit Corporation shows that the price support, other than sugar, had cost \$912,575,612 to that date. The cost of the sugar acts in the same period, including this year's appropriation, totaled \$900,665,083.

The cost of maintaining a high sugar price has been almost twice as much as the

famous potato price subsidy, which has now reached \$468,721,246. But unlike potato price supports, which will terminate this week, a new sugar act is now being prepared by the House Agriculture Committee, containing all the cost provisions of the present act. The committee expects to conclude hearings early next week.

TEN COSTLIEST COMMODITIES

The cost of maintaining the prices of the 10 most costly commodities getting tax subsidies are:

Sugar: \$900,665,083.
Potatoes: \$468,721,246.
Eggs: \$141,503,049.
Wool: \$92,162,308.
Peanuts: \$77,906,597.
Wheat: \$65,578,741.
Butter: \$47,200,848.
Cheese: \$25,061,762.
Dried milk: \$52,830,041.
Grain sorghum: \$34,145,806.

The sugar act operates virtually the same as would the Brannan plan, proposed for other farm crops. When first passed, it contained a clause permitting the President to withhold payments when, in his opinion, they were unnecessary. That clause was removed in 1948.

LIKE BRANNAN PLAN

The act, one of the less well-known of the agricultural laws, provides for an excise tax on sugar to raise funds to be paid to growers as subsidies. The tax is slightly more than half a cent a pound—the same as the duty on imported sugar. Payments are made to sugar growers on a base rate of 80 cents for each 100 pounds of raw sugar they produce. This scale of payments is graduated downward according to the size of the farm. Thus a farmer who raises less than 350 tons of sugar gets 80 cents for each hundredweight, while a plantation producing more than 30,000 tons get only 30 cents.

Payments are made to only about 85,000 farmers out of a total of 6,000,000 farms in the United States.

Last year at least 41 farms got payments of more than \$100,000 each; 23 got more than \$200,000; 15 got more than \$300,000; 8 more than \$400,000, and 3 more than \$500,000.

RECORD OF COST

The Jones-Costigan Act cost approximately \$93,000,000. Congressional appropriations under the two later sugar acts have been:

August 1937, \$250,000; February 1938, \$39,750,000; June 1938, \$48,000,000; May 1939, \$6,500,000; June 1939, \$31,975,000; June 1940, \$46,675,000; June 1941, \$47,962,910; July 1942, \$47,462,000; July 1943, \$63,883,060; June 1944, \$52,510,203; May 1945, \$48,446,000; June 1946, \$53,500,000; July 1947, \$55,000,000; June 1948, \$72,000,000; June 1949, \$60,000,000; September 1950, \$63,750,000; pending bill, \$70,000,000.

Lobbyists for sugar groups are reported in the CONGRESSIONAL RECORD as among the best paid in any industry. The RECORD lists:

A. Dudley Smith, Shoreham Building, Association of Sugar Producers of Puerto Rico, \$15,000 a year.

Robert H. Shields, Tower Building, United States Beet Sugar Association, \$40,000.

Ernest W. Greene, Continental Building, Hawaiian Sugar Planters' Association, \$45,180.

H. B. Boyd, Tower Building, United States Beet Sugar Association, \$18,000.

Clarence J. Bourg, Union Trust Building, American Sugar Cane League and Farmers and Manufacturers Beet Sugar Association, \$15,750.

H. M. Baldrige, American Building, United States Cane Sugar Refiners Association, \$24,000.

Mr. FULBRIGHT. There are a few other items in the article to which I wish to refer.

Mr. Lawrence Myers, head of the Sugar Branch of the Department of Agriculture, in testimony before the House Agriculture Committee, disputed these figures. He contends that "the conditional payments and administrative expenses of the United States Department of Agriculture in connection with the sugar program" have amounted to \$757,387,894.

In order that we may have in the same speech these two conflicting statements, I ask unanimous consent that the statement which appeared in the House proceedings of the CONGRESSIONAL RECORD of June 30, referring to Mr. Myers' testimony, be inserted at this point in the RECORD. That will give both views as to the amount.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCERPT FROM JUNE 29, 1951, TRANSCRIPT OF HEARINGS ON AMENDING AND EXTENDING THE SUGAR ACT OF 1948, PAGES 145-149

The CHAIRMAN. Mr. Kemp, would you like to comment on the John W. Ball article that appeared in the Washington Post this morning, Sugar Price Support Is Costliest of All?

Mr. KEMP. Yes, I would. That follows the technique people use sometimes of saying that a horse has got two legs on the right side, and ignoring the fact that he has two legs on the left side, also.

What the writer of this article has done is to take all disbursements under the sugar program and give no credit whatever to the receipts.

Mr. Myers yesterday testified, and he has the figures, that receipts by the Treasury have been running about \$76,000,000 a year, payments about \$67,000,000, so that there has been a clear gain in recent years to the Treasury from the excise tax on sugar of about \$17,000,000 a year.

Now the other important thing to remember is that that does not come out of the consuming public, the tax on sugar.

This subject was argued at great length back in 1935 and 1936. It was then pointed out by economists in the Government that in the light of the fact that the tariff against sugar had been reduced by an equal amount to the tax imposed, no price influence was expected in this market by the tax. Actually, the tax comes out of the industry. It is paid into the Treasury, and what the Treasury pays back out of its total receipts go back out of what returns otherwise would inure to the benefit of the industry.

The CHAIRMAN. When Mr. Ball says that because the program to date has been somewhat over \$900,000,000, to give the public a true picture he should have indicated right under that figure the amount paid by the industry to the Treasury, should he not?

Mr. KEMP. Precisely, Mr. Chairman.

The CHAIRMAN. Do you or any of your associates have that total figure? I assume that perhaps Mr. Myers has it, because he gave us the gross difference between the payments into the Treasury and the payments out of the Treasury.

Mr. KEMP. Mr. COOLEY, I cannot give you that figure myself, but I think I would like to make the request of Mr. Myers that he furnish a statement of those figures since 1934 to be put in the record.

The CHAIRMAN. I do not have Mr. Myers' statement right before me at the moment, but my recollection is that it was two-hundred-forty-million-odd dollars difference. Is that not right, Mr. Myers?

Mr. MYERS. Yes, Mr. Chairman.

In my statement the other day I pointed out that there had been a total net gain of \$248,000,000. You asked me to include the cost of administration.

We have prepared the figures in accordance with your request, the best data that we can obtain as to the cost of administering the program. In some cases, let me say, when the program gets out into the field there is a question of the cost of administering this as compared with other programs, and there is difficulty in separation, but as closely as we can separate, these are the figures:

As to taxes collected from 1934 through 1950, the fiscal year 1950, \$987,752,416.

The conditional payments and administrative expenses of the United States Department of Agriculture in connection with the sugar program, \$757,387,894.

Excess taxes collected over payments, \$230,364,522.

I also put into the record the figures for the average of the past 3 fiscal years. Those figures showed average collections in round figures, \$76,600,000 and average payments, \$59,500,000.

Complying with your request for the addition of administrative expenses, and giving you the figures in complete detail, the tax collections showed \$76,641,115.

Conditional payments and administrative expenses of the United States Department of Agriculture in connection with the sugar program, \$60,900,894.

Excess taxes over payments and administrative expenses, \$15,740,221.

The CHAIRMAN. This looks like maybe Mr. Ball made almost a \$1,000,000,000 mistake here, does it not? That shows, then, if I understand your figures, Mr. Myers, that the net profit on the entire operation is \$230,364,522.

Mr. MYERS. That is correct, including the administrative expenses.

The CHAIRMAN. That is quite a different story from the one written in the morning Post.

Mr. HILL. In other words, Mr. Ball is all "balled up" like he usually is when he writes about agricultural matters. There is nothing new about this.

Mr. POAGE. Almost as accurate as his statement about cotton and other things—nearly as accurate.

The CHAIRMAN. It seems to me that somebody representing the press would be interested in getting the truth about it.

Mr. HILL. He is still getting paid for it. That is the sorry part of it.

Mr. POAGE. Probably he gets paid for it and that is probably why you get those reports.

Mr. FULBRIGHT. Although the difference is rather substantial, I do not think that it is particularly significant when we consider that, even accepting the lower figure, it is far greater than the next most expensive item which has ever appeared in our domestic agricultural program, namely, the one with relation to potatoes, which had cost, as of the date of the article, \$468,721,246.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Does the Senator from Arkansas contend that the potato program has paid for itself by a tax levied on the potato dealers and users, as is the case in respect to the sugar program, which is paid for by a tax levied on the sugar processors?

Mr. FULBRIGHT. I do not contend that it is paid for by the potato producers, nor do I admit that the sugar program is paid for by the sugar producers. It is paid for by the consumers, the same people who pay the taxes and consume the sugar in the United States. The fiction that the producers pay the

tax does not appeal to me in the least. The people who pay the way under both programs are the people who consume the sugar and pay the excise tax.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I will yield for a question. I may say that I have not the slightest idea that I can do anything to stop this program. I have tried it before. There is no point in irritating the supporters of the program. I do not intend to delay the program at all. I wish only to make this statement for the RECORD, so that the people of the country, who are seldom effectively represented in matters of this kind, may know at least some of the basic facts.

Mr. O'MAHONEY. Mr. President—

Mr. FULBRIGHT. I yield for a question.

Mr. O'MAHONEY. I am sure the Senator from Arkansas realizes the fact that the Senator from Wyoming is fully aware of the good will and the good faith with which the Senator from Arkansas discusses this measure. However, I wonder if the Senator understands that the Sugar Act is so constructed that the admission of sugar into the United States and the distribution of the sugar are so arranged as to make it impossible for the consumers to be victimized. I will say to the Senator that I think—and I speak in all sincerity—that this is one of the most successful and practical agricultural measures ever enacted. If other agricultural bills and programs had been based upon a theory similar to this, we would not have the difficulties which arise and the criticisms which are made with respect to them.

As the Senator from Florida [Mr. HOLLAND] has just stated, the bill carries within itself a processing tax which raises more than enough to carry the entire cost. But the bill also authorizes the Secretary of Agriculture to make changes from year to year in consumption estimates. Upon those consumption estimates is based the entire operation of the Sugar Act, because he decides what the consumption is going to be, and then the amount of sugar to meet the consumption demands is supplied. So the consumer is not the victim of this legislation. He is the beneficiary. Before there was a Sugar Act, when domestic-sugar producers were not allowed even the small production which is contained in this bill, the consumers of the United States paid vastly more for sugar than they will pay under the terms of the bill.

Mr. FULBRIGHT. I appreciate the statement of the Senator from Wyoming. Coming from one of the largest beet-sugar producing States, he is better informed about the details of this legislation than I am. I know that he thoroughly appreciates its value. Nevertheless the fact remains that payments to the producers of sugar are almost twice the payments to the producers of any other agricultural commodity. The money which is raised to pay them comes from the pockets of the American consumers in the form of an excise tax. If this particular arrangement has all the merits which the Senator from Wyoming thinks it has, I do not understand

why he has not sponsored legislation to apply this policy to all other agricultural commodities.

One of my criticisms is that sugar is singled out for special and preferential treatment. It is the only agricultural commodity with respect to which there is quota control, which, after all, is a price-fixing device. Traditionally for the past several years the Secretary of Agriculture, being very sympathetic toward this program, has always set the quota at the beginning of the year substantially below the estimates of consumption. That has the effect of raising the price. Then if the situation becomes too critical, at the last minute he will allow additional quotas to reallocate the deficiencies which have occurred.

As I previously stated, I went into this subject pretty thoroughly. The other members of the committee, who know much more about the subject than I do, have gone into it. I do not intend to rehash all the details. I do not think there is the slightest interest on the part of Members of this body in doing anything about the Sugar Act.

However, I should like to call the attention of Senators to some of the payments. They are listed later in my statement. The size of the payments and the concentrations of payments to producers make it easy to form powerful organizations. This is the smoothest operating organization I know of. For example, we always have difficulty with cotton. I should like to cite the difference between cotton and sugar.

We have had a support program in the Department of Agriculture with respect to cotton. During the same period to which these figures relate, within a year or two—certainly there is no substantial difference—the Government made a profit of two-hundred-and-forty-million-odd dollars. It made that profit not through excise taxes upon the consumer but simply by taking over the cotton and selling it on the open market. I think there is quite a difference between that type of profit and the collection of the money which went to pay the \$900,000,000 which has been paid to sugar producers, and which has been raised primarily in the form of an excise tax, which, of course, is included in the cost which the consumer pays. It is true that the consumer who bought the cotton paid the profit, but he paid it voluntarily by purchases in the open market, and not through a tax.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PASTORE in the chair). Does the Senator from Arkansas yield to the Senator from Florida?

Mr. FULBRIGHT. In view of the fact that the supporters of the bill have all the votes, and that there will be no question about its passage, if the Senator will permit me, I think one small ignorant voice might be raised in opposition, just to present a few figures.

I understand that the State of the Senator from Florida produces sugarcane. He knows much more about this subject than I do. His State will undoubtedly receive substantial payments.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I do not care to yield at the moment. I will yield after I make a few further remarks. My statement is very brief. It consists of only four pages.

Mr. HOLLAND. I am especially interested in the Senator's reference to consumer prices. It is with respect to that point that I wish to ask a question?

Mr. FULBRIGHT. I do not yield at this time. I will yield in a moment.

In the article of June 29, I call the attention of Senators to some of the reasons why this legislation has such an easy time, why it is called a "little bill," and why it is passed when there are only six or eight Senators in the Chamber.

The article in question reads in part as follows:

Lobbyists for sugar groups are reported in the CONGRESSIONAL RECORD among the best paid in any industry. The RECORD lists:

A. Dudley Smith, Shoreham Building, Association of Sugar Producers of Puerto Rico, \$15,000 a year.

Robert H. Shields, Tower Building, United States Beet Sugar Association, \$40,000.

I believe Mr. Shields is the same man who, as an employee of the Department of Agriculture, wrote the 1948 sugar bill. According to the testimony before a committee of the Senate, he had something to do with the preparation of the bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I make no point of it. He was at one time an employee of the Department of Agriculture.

Mr. MILLIKIN. I have a vague recollection that he was an employee, but I am rising to say that he did not write the Sugar Act of 1948.

Mr. FULBRIGHT. I make no point of it. He was formerly an employee of the Department of Agriculture. At least he has a pretty good job, at \$40,000 a year, as representative of the United States Beet Sugar Association.

Ernest W. Green, Continental Building, Hawaiian Sugar Planters Association, \$45,180.

I shall call attention later to some of the payments to the Hawaiian sugar producers. The payments are very substantial. Mr. Green seems to be top dog. He gets \$45,000. He is paid what three Senators are paid. After all, the organization ought to function pretty well.

I daresay we will not find any kind of bill before the Senate which will be passed with as few words said in opposition to it as this bill.

I may call attention to the fact that this bill need not be considered at this time. The present act will not expire until the end of 1952, a year and a half from now. However, Mr. President, if a bill is taken up long before it is necessary to do so, and there is plenty of time before the expiration of the old act, it is much easier to get it passed when the Senate and the committees are otherwise engaged.

H. B. Boyd, Tower Building, United States Beet Sugar Association, \$18,000.

Clarence J. Bourg, Union Trust Building, American Sugar Cane League and Farmers

and Manufacturers Beet Sugar Association, \$15,750.

H. M. Baldridge, American Building, United States Cane Sugar Refiners, \$24,000.

I cite this information to give just one explanation of why it is a well-organized group which is sponsoring the pending legislation.

Mr. LONG and Mr. HOLLAND addressed the Chair.

Mr. FULBRIGHT. I shall yield as soon as I have finished my very short remarks.

Furthermore, these taxes, at the rate of 50 cents a 100 pounds, are imposed not only upon domestic sugar, but upon that which enters the United States from Cuba and other foreign countries. So that the payments made to producers at the basic rate of 80 cents per 100 pounds, are derived not only from taxes on their sugar, but from all sugar consumed in the United States. The rate of 80 cents per 100 pounds is the basic rate. The article, from which I have read, explains how the rate is graduated.

A table, which was furnished to me by the Department of Agriculture, shows some of the payments. I believe it has quite a significant relation to the size of some of the payments made to lobbyists. What impresses me most is the size of the Hawaiian payments. We are all familiar with the wealth of Hawaii. I may say that I think the Hawaiian payments are very large when compared with the payments made to our domestic producers, who are supporting the legislation, and who are apparently willing to let the Hawaiians get a little better of the deal. It seems to me that since we are going to have such legislation enacted, the producers in Florida and Louisiana and some of the other domestic producers ought to get a little larger share. I call attention to some of the larger ones.

I may not pronounce these names correctly, because I do not speak Hawaiian fluently. I may say that I asked for this information, and I had some difficulty getting it. It took me some time to have the table prepared. It covers individual sugar payments in excess of \$100,000 on the 1948-49 sugarcane crop. I may say that I believe the sugar-beet producers, who have the job of getting this legislation through the Senate ought to do something to prevent the Hawaiians from getting the big end of the deal.

Oahu Sugar Co., Ltd., \$600,739.94. I dare say they do not do very badly, from what I know in a limited way of the great economic empire which was set up in Hawaii during the middle of the last century.

Waialua Agricultural Co., Ltd., \$483,601.34.

Ewa Plantation Co., \$461,725.28.

Hawaiian Commercial & Sugar Co., Ltd., \$954,849.18.

Those payments were made during 1 year. I shall not read all of them. They run all the way from \$131,000. I asked for companies which received more than \$100,000. Senators can see that there are quite a number of companies listed on the table.

There is only one listed in Florida. It is the United States Sugar Corp. They received \$592,451.79. Apparently only one company in Florida went over \$100,000. Of course, it is quite a good deal over \$100,000. It is a very substantial payment.

We all remember the howl that went up when some payments under the triple A program to certain farmers went up to \$10,000 and \$20,000. Eventually we put on an arbitrary limit, I believe, of \$2,500. Yet here we have one company, the United States Sugar Corp., receiving \$592,451.79.

In Louisiana there are two companies. They are the South Coast Corp. and Southdown Sugars, Inc. Yet the Representatives and Senators from these States bear the brunt of passing the pending bill. I think the domestic companies ought to get a larger share, especially when comparison is made with what is paid to Hawaiian companies. The Hawaiians have no votes. Yet their companies are receiving 20 times as much. Florida and Louisiana are the only two States that get payments above \$100,000. The South Coast Corp. received \$177,418.22. Southdown Sugars, Inc., received \$143,446.70.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the statement from which I have read.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Individual Sugar Act payments in excess of \$100,000 on the 1948-49 sugarcane crop¹

Hawaii:	
Hakalau Plantation Co....	\$163,902.46
Hamakua Mill Co.....	215,397.61
Hawaiian Agricultural Co.....	318,698.33
Hilo Sugar Plantation Co.....	187,735.30
Honokaa Sugar Co.....	267,391.74
Hutchinson Sugar Plantation Co.....	169,150.33
Kaiwiki Sugar Co., Ltd....	111,232.59
Kohala Sugar Co.....	329,718.31
Laupahoehoe Sugar Co....	154,176.45
Olaa Sugar Co., Ltd.....	270,542.16
Onomea Sugar Co.....	180,275.44
Paauhau Sugar Plantation Co.....	140,892.57
Pepeekeo Sugar Co.....	167,276.97
Gay and Robinson.....	131,588.63
Grove Farm Co., Ltd.....	297,254.03
Kekaha Sugar Co., Ltd....	394,386.20
Kilauea Sugar Plantation Co.....	122,825.34
McBryde Sugar Co., Ltd....	262,011.65
Olokele Sugar Co., Ltd....	260,061.09
The Lihue Plantation Co., Ltd.....	473,508.47
Hawaiian Commercial & Sugar Co., Ltd.....	954,849.18
Pioneer Mill Co., Ltd.....	355,597.96
Waikuku Sugar Co.....	219,844.47
Ewa Plantation Co.....	461,725.28
Kahuku Plantation Co....	178,494.72
Oahu Sugar Co., Ltd.....	600,739.94
Waialua Agricultural Co., Ltd.....	483,601.34
Mainland Cane Florida:	
United States Sugar Corp..	592,451.79
Louisiana:	
South Coast Corp.....	177,418.22
Southdown Sugars, Inc....	143,446.70

¹ No payment in excess of \$100,000 made on the 1948-49 sugar-beet crop.

Puerto Rico:

Luce & Co., S. en C.-----	\$608,280.88
Ramon Gonzalez Hernandez-----	107,618.06
Miguel Esteves Blanes, Rafael Martinez Dominguez, heirs of the estate of Arsenio Martinez, deceased; Frank Bianchi Green, Francisco J. Casaldue, Jose Enrique Bianchi Green, Juan Hernandez Batalla, Guillermo Cabrera Cuesta, Gabriel Pla and heirs of the estate of Jose Maria del Valle, deceased; J. O.-----	142,600.17
Eastern Sugar Associates-----	429,992.37
Antonio Roig Sucrs., S. en C.-----	892,770.24
Fajardo Davila and Melania Quiles, J. O.-----	103,583.76
Heirs of the estate of Alfredo Ramirez Rosell, deceased-----	112,682.09
Sucn. J. Serralles, Wirshing & Co., coproducers-----	376,860.93
Mario Mercado e Hijos, a partnership-----	112,484.02
Total-----	11,173,067.79

Mr. FULBRIGHT. Mr. President, the payments in Louisiana compare with the lowest payments made in Hawaii. None of them approaches the largest payment of \$954,849.18.

There are several companies in Puerto Rico. The payments run from \$103,000 up to \$608,280.88. That is the largest payment. It went to Luce & Co. The total amount paid, according to the table furnished by the Department of Agriculture, to approximately 30 companies—I did not count them—was \$11,173,067.79. Those producers received more than \$100,000 apiece. If my memory serves me correctly, during that year somewhere in the neighborhood of \$35,000,000 was paid on the sugarcane crop. Approximately that amount went to a relatively few producers, only three of whom are on the mainland of the United States, all the rest being in Hawaii and Puerto Rico.

I merely pass this information on to the Senate. I did not know whether Members of the Senate who are particularly interested in the pending bill realize just how the gravy—or I should say sugar—under the act is actually dispensed among the producers.

I believe that aspect of it alone should be sufficient to justify a recommitment of the bill for further study, and for the purpose of seeing whether the total amount could not be better distributed among the producers. I would be inclined to have hearings on that particular aspect of the subject.

While we are on the subject, I notice that in the House record of the hearings on the bill, at page 141, Mr. John J. Riley, secretary of the American Bottlers of Carbonated Beverages, wrote a letter, in which he asks for a delay in the consideration of this bill. I read this one statement:

Accordingly, in justice to the importance of the proposed legislation, it is respectfully requested that upon conclusion of the current session the hearings on H. R. 4521 be recessed for 60 days to provide an opportunity for further testimony.

However, Mr. President, no delay was granted to accommodate those who are interested in the other side of the picture, namely, the consumers, who have no particular concentrated interest such as that of the producers, although, as I pointed out, under existing law it will be a year and one-half before the present act lapses.

In view of the necessity for the Senate to act promptly on the appropriation bills, one of which was reported from the committee just yesterday, it seems to me to be inexcusable for the Senate to take time now to consider an amendment to an act which has 1½ years of its life left.

Previously I mentioned an article, published in the Washington Post, which states that:

Payments are made to only about 85,000 farmers, out of a total of 6,000,000 farms in the United States.

Mr. President, when we compare 85,000 with the total number of consumers in the United States who are interested in the consumption of this commodity, it seems to me that the picture is a rather lopsided one.

I read further from the article:

Last year—

In other words, in 1950; and I call attention to the fact that the figures I submitted were for the 1948–49 crop, the last period for which the information was complete—

at least 41 farms got payments of more than \$100,000 each; 23 got more than \$200,000; 15 got more than \$300,000; 8 more than \$400,000; and 3 more than \$500,000.

Mr. President, this bill, extending the act until December 31, 1956, was introduced on June 20, 1951. Hearings were held in the House on June 27, 28, 29, and July 11, 26, 27, and 31. The bill passed the House on August 13. There were no hearings in the usual sense in the Finance Committee, although I understand the committee did hear a representative of the Department of Agriculture, a Mr. Kemp, representing the American Sugar Beet Industry Policy Committee, and the Senator from Louisiana [Mr. ELLENDER]. The testimony I asked to have inserted in my remarks is the testimony of Mr. Kemp, I believe.

So I believe it is fair to say that the bill has moved with extraordinary speed, notwithstanding the fact that there is no apparent reason for such hasty action, since the present law does not expire for more than a year.

Mr. President, we are on the point of cutting a relatively modest request for a campaign of information and education which might hold some promise for peace.

We are, apparently, according to the press, also going to cut appropriations for the National Science Foundation, by which we might maintain our technological and scientific superiority over our enemies.

In fact, Mr. President, I think it is generally admitted that the very type of research we intended to carry on under the National Science Foundation is the type which produced the atomic bomb, although much of the research

was done, not in this country, but in foreign countries, and we simply applied that knowledge in a practical way. In other words, in our case the work done was by means of applied science.

When I compare the difficulty we have in trying to keep alive a program which I think goes to the very existence of our country, with the ease with which we dispose of a program involving the payment of millions of dollars to a very restricted group, it seems to me it is time we tried to get a proper sense of perspective in regard to the question of governmental expenditures.

All of us profess a desire, and I think it is a sincere one to keep our expenditures within reason. Yet it seems so easy to get the Senate to act favorably, with practically no opposition—I know of only one small voice raised in the Senate against it—on a program of expenditures for a group of persons, some of whom I am confident have no real need for it. I am confident that those in Hawaii will not suffer very much if their part of the \$11,000,000 is not paid. I would say it comes as close to easy gravy which they can pick up as anything which comes along. Hawaii is one of the richest communities in the world; yet we pour out all this money for Hawaiians, simply in order to give relatively small amounts to a few persons in the United States.

Mr. President, if we are going into this kind of program, I think it should be concentrated upon those who pay the freight. No other program in the agricultural field is devoted principally to a relatively rich community; furthermore, in this case the relatively rich community has no need for the proposed assistance.

So I suggest that we try to get a proper perspective in regard to the way the total income of the Government is spent.

In this case not very far from \$900,000,000 has been given to the sugar producers over the past 16 or 17 years. Yet it seems that we cannot find within all our resources enough to keep a basic research foundation going. I think that program has a very important bearing upon the long-term continuation of our country as a first-class power. I do not think we can neglect basic research in a time when nuclear fission is so important. I do not pretend to understand nuclear fission, but I think all of us agree it is the greatest single restraint today upon Russia.

I think we cannot afford to neglect that type of program if we can afford to pay the cost of the program provided in the pending bill. If we simply cannot afford the basic research program, that is one thing; but if we can afford to pour out money in the way that it will be poured out as the result of the enactment of the pending bill, namely by shovels full, then I say there is nothing to the argument that we cannot afford to maintain a small program of basic research, the estimate for it being only \$15,000,000, or approximately what will be paid to approximately 30 producers of sugar as a result of the enactment of this bill.

Mr. President, that is all I have to say.

Mr. HOLLAND. Mr. President, in the first place I wish to say that I very thoroughly and heartily agree with the distinguished Senator from Arkansas with reference to that portion of his statement which had to do with the cutting of the all-too-small appropriation for the National Science Foundation. I thoroughly agree with him that in this age when science moves so rapidly and when the alertness of men's minds is going to be one strong determining factor as to their ability to survive, certainly we should support generously the efforts initiated by the Congress of the United States to encourage, implement, and enlarge the activities of the scientific thinkers to produce more trained minds and more trained persons in the field of science and research, to serve our Nation and the world better in the very rapidly developing field of scientific knowledge.

With reference to the comments the distinguished Senator from Arkansas made in regard to the pending measure, the Sugar Act of 1948, House bill 4521, I am sorry to say that I cannot agree with any of the statements made by him. For fear that someone reading the CONGRESSIONAL RECORD might miss the fact that some of the comments of the distinguished Senator were made facetiously, with a twinkle in his eye and a smile on his lips, particularly the comments which tended to upbraid his colleagues from the States of Florida and Louisiana because they did not fight harder for a better bill to serve their particular producers, in view of the results accomplished under the 1948 act, from which it appears that Hawaii is getting larger money payments, I want to have it clearly appear in the RECORD that the Senator from Arkansas was speaking facetiously. I do not want anyone to think that he was departing in the slightest from the highest standards of ethics, a subject in which he has displayed considerable interest at this session. I want all readers of the CONGRESSIONAL RECORD to know that he is just as much concerned as ever about that subject. In his remarks today he did not depart from his high standards, but that really he was speaking facetiously in that portion of his remarks. I am very sure that that is the case, but if the Senator wishes to correct me upon that, of course, he will have an opportunity to do so.

Mr. FULBRIGHT. Mr. President, if the Senator will yield—

Mr. HOLLAND. Mr. President, if the Senator will allow me to conclude my statement—

Mr. FULBRIGHT. I thought the Senator asked me whether I would like to correct him on that statement.

Mr. HOLLAND. I shall be happy to yield, if the Senator wishes to correct me on it.

Mr. FULBRIGHT. All I want to say is that if the Senator's comment is limited simply to that particular part of my remarks, I could agree that there was a certain amount of levity; but I would not agree that there was levity in the rest of my remarks.

Mr. HOLLAND. I am glad the Senator makes that concession, because I was very sure that was the case; and if

the rest of the Senate ascribes to most of the rest of the Senator's remarks the same spirit of levity which the Senator conceded as to that portion of his remarks, I hope he will not take our conclusion to be amiss.

Mr. President, it seems to me that the Senator has hit upon the high note of the pending measure, and any other measure in a similar field, when he mentions several times the question of what would be the impact of this legislation upon the consumers of the country, because every person in this country, and every home in this country is vitally affected by the price of sugar. I am sorry that my distinguished friend from Arkansas did not see fit to insert in the RECORD the conclusion so clearly stated by the unanimous committee report of the distinguished Senate Committee on Finance upon this particular phase of the matter; because, after all, the proof of the pudding with respect to this program is the fact that it has well served the consumers of sugar in this Nation. Therefore, for the RECORD, I desire to read a brief but enlightening portion of the committee report, which makes it so clear that, as contrasted with the history of many classes of foods in recent years, that the price of sugar has been low, and that it has been consistently low, and that the consumers of the country have been consistently well served by the Sugar Act of 1948 and the acts which preceded it. From page 10 of the report, I read:

Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history in comparison with prices of all foods.

I reread that, because it is so all-inclusive that I think every Senator should realize what has been the history of this effort. I continue:

Under the Sugar Act of 1948, prices of refined sugar have been the lowest in history in comparison with prices of all foods. In relation to per capita disposable income, sugar prices have been maintained at approximately the low level established during the war years when the Commodity Credit Corporation spent \$133,000,000, in addition to the benefits of free duty entry equivalent to \$113,000,000, in paying subsidies and absorbing losses to maintain low sugar prices to consumers.

What does that mean, Mr. President? It means that, contrasted with the wartime years when sugar prices were controlled and were very carefully kept low, when, in order to keep them low, the Commodity Credit Corporation paid out public money to the extent of \$133,000,000; that, in addition to that free duty entry was given, equivalent to \$113,000,000 more, or a total of \$246,000,000 of subsidies in this field alone, that the prices of sugar have not advanced from those war days, comparably with the prices of all foods, but, instead, have been the lowest in history, compared with the average prices of all foods coming upon the tables of the families of our Nation.

So, Mr. President, it would seem to me that here is one of the explanations of the point made several times by the distinguished Senator, as to why he could not understand that a measure

of this importance, introduced in June, should now be coming to its conclusion with passage by Congress. The biggest reason is that the public of this Nation, who do know what is going on, and who do realize where they are being charged out of proportion to the values which they receive, who do realize where they are getting fair dealing and good service from the Government, that public has realized that this act has operated in their favor; and, instead of coming here with lobbies of the type to which we are accustomed, aggressively representing the general public, when the people are imposed upon, they are glad to see legislation of this type now in process of being extended, because they have been properly and fairly treated by its operation.

The second point I would make is with reference to the financial operation of this act. I think the best way to make this point is by quoting the paragraph at the bottom of page 3 of the committee report, because, boiled down to a few words, there appears the history of the operation under this particular act, and the fact that the very small tax—now, I believe, a half a cent per pound, but which has been of varying amounts through the years since 1934—has not only paid the whole cost of this act, but has also resulted in substantial surpluses remaining in the Treasury to apply upon general public expenses. I read that paragraph, appearing on page 3 of the committee report:

Financially, the sugar program carried out under the authority of the various sugar acts has been one of the Government's most successful program operations. From 1934 through the end of the fiscal year 1950, taxes collected as part of the sugar program have amounted to \$987,752,416, while all payments and administrative expenses of the Department of Agriculture in administering the program have totaled \$757,387,894, leaving an excess of taxes over expenditures, representing a net profit from the operation of the program, of \$230,364,522. On an annual basis, the average taxes collected have been a little over \$76,000,000, expenses including administration and payments have averaged about \$61,000,000, leaving a net average profit annually of almost \$16,000,000.

That statement covers the years of operation of the present act and its predecessor acts, beginning with the year 1934.

Mr. President, it occurs to me that that is a very clear showing of the stability and acceptability of this program, the fact that it has no opposition here from consumers, processors, producers, particularly from offshore producers, all shows that the act has well served the purpose for which it was designed.

In closing my remarks, I may say that not only is it true—and I am sure it is true—that consumers give general approval to this program, which has kept low the price of an important product to them, namely sugar. Not only that, but also, as to this act alone, of the various acts of this kind which the Congress is required to consider from time to time, we find that the producers and the processors likewise come in to say, "This act is salutary and helpful, and has served us all in a good way, just as it

has well served the consumer." And I want it to be clearly apparent, as one of the sponsors of this bill, that not only has there been no adverse consumer action from my own State, but general approval; but also that, likewise, the processors and the growers, whether the big growers or the small independent growers, have all united in asking their delegation from the State of Florida to sponsor this act.

Mr. President, when such a well worked out system is serving in such a harmonious way, I think it is not at all difficult for us to understand that, with all forces cooperating, the passage of this act becomes a simple and a pleasant duty, subserving as it does the interest, the welfare, and the continued protection of all who are so vitally affected by this legislation.

Mr. LONG. Mr. President, I should like to say but a few words about this bill, particularly with reference to the statements made by the junior Senator from Arkansas [Mr. FULBRIGHT]. The statement was made by the junior Senator from Arkansas that there are only 85,000 farmers who are receiving payments under the Sugar Act.

I believe the record will show that although only 85,000 farmers may be receiving payments, enormous numbers of persons are working for those who are receiving payments. In the State of Louisiana there are approximately 8,000 persons receiving payments under the Sugar Act, but I suppose there are upward of 100,000 who work in the factories, fields, and refineries. Those industries would have to close down if there were no Sugar Act to keep them alive.

There are large investments in our sugar refineries, as well as investments in farm machinery which is adapted especially to the production of sugar. It is a recognized fact that without the benefit of the act, which has not resulted in high sugar prices, the industry could not continue to operate, and all the investments would be lost. Even with the benefit of the act, it has been argued that sugar prices have risen, to which the answer has been given, and clearly documented in comparison with the prices of all other commodities, that the price of sugar has been held on a level keel, and has even gone down, while the price of every other commodity has risen, including the costs of all items of expense in connection with the production of sugar.

I should like to point out that the sugarcane farmers in the State of Louisiana are certainly not receiving a bonanza, and the same is true of the sugar producers in the rest of the United States. During the past 2 years of the few sugar factories existing in the State of Louisiana, seven have gone into bankruptcy, which certainly does not indicate that the industry is particularly healthy. Those concerned would have liked to pay farmers more for their product, and to pay field labor more. Wages are extremely low in the industry, which would indicate that not less aid but more aid is needed for the industry.

Mr. President, I have a statement of Secretary of Commerce, Charles Saw-

yer, in connection with a visit to Louisiana and various other sections of the United States, examining into various industries and economic groups. He pointed out that the sugar industry in the State of Louisiana was particularly a distressed industry, that it involved low wage and living standards, and that the persons engaged in the growing, processing, and refining of sugarcane were in a distressed condition, which is certainly far from the picture which was painted for us by the junior Senator from Arkansas.

Mr. President, I ask unanimous consent that the statement by the Secretary of Commerce to which I have referred be printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement regarding the critical situation existing in the Louisiana sugar industry was contained in a letter Secretary of Commerce Charles Sawyer wrote to John R. Steelman, Assistant to the President, reporting on business conditions throughout the country. On his survey, the Secretary visited all parts of the country where he held an extended series of meetings with businessmen, labor leaders, and public officials. In appendix D, page 3, he commented as follows:

"A particularly distressing situation called to my attention in Louisiana concerned wage and living standards among workers on sugar plantations. Though the problem involves intricate regulatory activity designed to control imports and maintain domestic production, and though it is greatly complicated by the varying degrees of integration between the growing, processing, and refining functions as they are found in specific companies, there appears to be little question but that because of postwar prices set on raw sugar and the wage payments they make possible, growers and processors are not doing well and that field workers are barely getting a subsistence living. I was told that this year's crop will benefit to some extent from a price increase made by the Department of Agriculture several months ago. However, public officials and labor and religious leaders with whom I talked are extremely anxious to see that price and wage arrangements are effected which will permit growers and processors to operate solvently and provide decent wage and living standards for those who work in the fields."

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Louisiana if there will be any further discussion of the bill?

Mr. ELLENDER. No; I think not.

Mr. O'MAHONEY. Therefore, I suggest that we might ask that the bill be put to a vote at this time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is on the passage of the bill.

Mr. BENTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BENTON. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that

further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is, Shall the bill pass?

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Delaware [Mr. FEAR] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNING], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oklahoma [Mr. MONROE] are absent on official business.

The Senator from Arizona [Mr. HAYDEN] is unavoidably detained on official committee business, and if present would vote "yea."

The Senator from South Carolina [Mr. MAYBANK] is unavoidably detained on official business at one of the Government departments.

I announce that on this vote the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Illinois would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Wisconsin [Mr. MCCARTHY] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from Oregon [Mr. MORSE], and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Oregon [Mr. CORDON] and the Senator from Pennsylvania [Mr. DUFF] are detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senators from Oregon [Mr. CORDON and Mr. MORSE], and the Senator from Ohio [Mr. TAFT] would each vote "yea."

The result was announced—yeas 72, nays 4, as follows:

YEAS—72

Bennett	Hill	McClellan
Bricker	Hoey	McFarland
Butler, Md.	Holland	McKellar
Butler, Nebr.	Hunt	McMahon
Cain	Ives	Millikin
Carlson	Jenner	Moody
Case	Johnson, Colo.	Mundt
Chavez	Johnson, Tex.	Murray
Clements	Johnston, S. C.	Neely
Connally	Kefauver	Nixon
Dirksen	Kerr	O'Connor
Dworshak	Kilgore	O'Mahoney
Eaton	Knowland	Robertson
Ellender	Langer	Russell
Ferguson	Lehman	Saltonstall
Flanders	Lodge	Schoeppel
George	Long	Smathers
Gillette	Magnuson	Smith, Maine
Green	Malone	Smith, N. J.
Hendrickson	Martin	Smith, N. C.
Hickenlooper	McCarran	Sparkman

Stennis
Thye
Underwood

Watkins
Welker
Wherry

Wiley
Williams
Young

NAYS—4

Benton
Fulbright

Kem

Pastore

NOT VOTING—20

Aiken
Anderson
Brewster
Bridges
Byrd
Capehart
Cordon

Douglas
Duff
Eastland
Frear
Hayden
Hennings
Humphrey

Maybank
McCarthy
Monroney
Morse
Taft
Tobey

So the bill (H. R. 4521) was passed.

STATE, JUSTICE, COMMERCE, AND
JUDICIARY APPROPRIATIONS, 1952

Mr. McCARRAN obtained the floor.

The PRESIDING OFFICER. In accordance with the order of the Senate of yesterday, the Chair lays before the Senate, House bill 4740.

The Senate proceeded to consider the bill (H. R. 4740) making appropriations for the Departments of State, Justice, Commerce, and the judiciary for the fiscal year ending June 30, 1952, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. WHERRY. Mr. President, I knew that the order provided that this bill should be the next order of business, but did the unanimous consent agreement of yesterday include the provision that it be taken up for action today?

Mr. McFARLAND. That is correct.

Mr. WHERRY. I understood the unanimous consent request to be that it be made the unfinished business, but I certainly made it plain that I feel that all the important appropriation bills should lie over 1 day before action is taken. I do not object to the bill being made the unfinished business, but I do not believe that the Senate has had the time within the past 24 hours, to study the bill. Of course, if no action is taken, I shall have no complaint about the unanimous consent agreement. I hope no action will be taken this afternoon. I have no objection to explanations. The bill can be debated, and if there are no controversial items, I shall have no complaint. But if there are controversial items, they should not be taken up today.

THE WARTIME ECONOMY—ECONOMIC AID TO EUROPE

Mr. McCARRAN. Mr. President, I desire to address the Senate on a subject other than the appropriation bill.

For several months I have known with misgivings that the day would come when someone in this body must make the unpleasant summary which I make today.

We have been fighting a limited war for a year, and during that year our Nation has made many large decisions. From an economy of peace we have moved to something which is pretty well along the road to total mobilization. Our people now understand that we may have to say goodbye to the era of ice boxes and automobiles and accept the era of tanks and bombers. Whatever may be the differences among us on a score of military issues—and there are at least that many—there is one area in which we are not divided. Each of us, each in his own

time, has come to the realization that the time for sacrifices has come—that the money we would like to spend for hospitals and roads and schools must go instead into gunpowder. The entire Nation understands that the future is not a reassuring picture of business as usual, but a future of losses, of surrender of income; an era when our finest grade of steel must be written off as a war expendable rather than built into tractors.

Those of us who have been trying to visualize this cost and loss have wondered where it is possible to save, what things to cut out, what Federal expenditures to curtail so that the bill might be kept down to the subastronomic level rather than allowed to soar to the astronomic.

Ever since June a year ago, when the Korean War warned us to get ready for the era of expenses at the astronomic level, we have known that sooner or later we must debate as a separate issue the cost of economic aid to the nations of Europe. We have wondered whether this is an item that could be crossed off the long list of expenditures. We have wondered whether the Marshall plan has brought recovery to Europe sufficient for Europe to achieve its own rearmament with American military help but without calls on the United States for still more economic help. I myself have speculated for months as to what position would be taken by the executive department on the subject of economic aid in this new post-Korean era. That question has been answered by the Executive message to Congress which asks that we approve five and a quarter billions as a contribution to Europe's rearmament and one and two-thirds billions for continued economic aid to supplement that rearmament. We know that these two figures represent the calculations of several hundred American officials who have been wrestling with the problem of Europe's rearmament for many months. They are submitted to us as representing their considered judgment of what is necessary on the part of the United States in order to get performance on Europe's commitments to rearm.

Mr. President, that great baffling question—whether the majority of the European NATO members will perform seriously on the armament commitments undertaken in the treaty—and the twin question, whether more United States dollars are a condition to such performance, are questions which will occupy the Congress for weeks. In view of the complexity of the subject I have been searching for a way of simplifying it. And I have found no way of simplifying it without giving over the chronology of our actions in Europe which have brought us to this moment, when in the summer of 1951 the executive department is asking for a further one and two-thirds billions for economic aid.

The question whether Europe will deliver, and the question whether we must continue economic help to insure that delivery, must be evaluated in the light of a European crisis which is at least 10 years old. There has been a crisis in Europe at least that long, and the year

1950 was the first in European memory that showed evidence of substantial recovery. The question which this Congress must decide is whether there has been a change in Europe of sufficient magnitude to produce a serious rearmament drive without further contributions of American economic aid. This inquiry requires a brief review of two crises as they existed in 1946 and 1947, the years which marked Europe's low point, and an appraisal as to whether those crises are past or whether the improvements are so transitory that economic aid must continue. This will be the area of debate. I should like, if possible, to shorten that debate by suggesting what, in my opinion, are the two alternatives from which eventually this body must choose. I suggest that after weeks of debate we will arrive at a choice between these two alternatives.

THE MARSHALL PLAN

Mr. President, the decision before us cannot be separated from decisions we made in Europe in 1947. That is to say, we are being asked to pay an assessment today on a corporation whose stock we underwrote in 1947. Parenthetically, I set the year or the start of the Marshall plan as 1947, the year it was conceived, rather than 1948, the year of its congressional enactment. It was in 1947 that this country undertook one of the strangest ventures in the history. It was the national decision that 1 nation contribute billions to some 15 other nations. In 1947, and for the third time in our history, we adjudged the survival of Europe to be an American concern. The nature of the threat in those days was political, not military. We had just witnessed the disappearance of six European countries behind the iron curtain and, as of 1947, we saw evidence that several more countries were in danger of following them. The causes of the impending drift into communism were adjudged to be economic causes. The remedial measure was a concept unique in relations between countries—the wholesale financial rescue of these sinking economies so as to bring about recovery. Economic recovery would then counteract Russia's political successes. It was estimated at the time that this undertaking would require 4 years, and a contribution of United States tax money in the amount of \$17,000,000,000. As of 1947 the threat of military attack by Russia was considered a possibility, but only a potential, secondary to Russia's political infiltration, which was in full operation, and operating with great success.

THE NORTH ATLANTIC TREATY

This decision to wage political war, via the device of economic recovery, and via United States dollars, resulted in our sending a task force of American administrators and economists to each Marshall-plan country. It is essential to an understanding of the debate over economic aid to recall one of the first road blocks that confronted these ECA officials in 1948.

One of the first problems, in a campaign that was economic, was a military problem. Within 4 months of its arrival in Europe every ECA mission staff arrived at the simultaneous finding that

Public Law 140 - 82d Congress
Chapter 379 - 1st Session
H. R. 4521

AN ACT

To amend and extend the Sugar Act of 1948, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Sugar Act of 1948 is hereby amended to read as follows:

"SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

"(a) For domestic sugar-producing areas, by apportioning among such areas four million four hundred and forty-four thousand short tons, raw value, as follows:

"Area	Short tons, raw value
Domestic beet sugar-----	1,800,000
Mainland cane sugar-----	500,000
Hawaii-----	1,052,000
Puerto Rico-----	1,080,000
Virgin Islands-----	12,000

"(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

"(c) For foreign countries other than the Republic of the Philippines, by prorating among such countries an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

"Country	Per centum
Cuba-----	96
Foreign countries other than Cuba and the Republic of the Philippines--	4

"Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than two per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of one per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.

"(d) Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:

"(1) 28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and

"(2) two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba."

SEC. 2. Section 204 of such Act is amended to read as follows:

"SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area, he shall revise the quotas for Cuba and foreign countries other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

"To Cuba, 96 per centum; and

"To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

"Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

"(b) Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.

"(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section."

SEC. 3. Section 207 of such Act is amended by adding a new subsection (h) as follows:

"(h) The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: *Provided*, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950."

SEC. 4. Section 208 of such Act is amended to read as follows:

"SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

"Country	In terms of wine gallons of 72 per centum total sugar content
Cuba	7, 970, 558
Dominican Republic	830, 894
British West Indies	300, 000
Other foreign countries	0"

SEC. 5. Section 411 of such Act is amended to read as follows:

"SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1956 and previous crop years."

SEC. 6. Section 3508 of the Internal Revenue Code (relating to termination of taxes) is amended by striking out "June 30, 1953" wherever appearing therein and inserting in lieu thereof "June 30, 1957".

SEC. 7. The amendments herein shall become effective January 1, 1953, except that sections 1 through 4 hereof shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

Approved September 1, 1951.

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

SUGAR BRANCH

SUGAR ACT OF 1948

as amended by

PUBLIC LAW 140 - 82nd CONGRESS, 1st SESSION

September 1951

NOTE

The Sugar Act of 1948 as effective January 1, 1948 to December 31, 1952, is shown in roman type. Portions to be omitted from law to be effective January 1, 1953 to December 31, 1956, are enclosed in black brackets and new matter added for that period is shown in italics.

SUGAR ACT OF 1948¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or

¹Section 7 of the bill provides that the amendments therein shall become effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during the calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas [4,268,000] four million four hundred and forty-four thousand short tons, raw value, as follows:

Area	Short tons, raw value
Domestic beet sugar.....	1, 800, 000
Mainland cane sugar.....	500, 000
Hawaii.....	1, 052, 000
Puerto Rico.....	[910, 000] 1, 080, 000
Virgin Islands.....	[6, 000] 12, 000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such [areas] countries an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

[Area] Country	Per centum
Cuba.....	[98.64] 98
Foreign countries other than Cuba and the Republic of the Philippines.....	[1.36] 4

[The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment

Act, as amended.] *Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than two per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of one per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.*

(d) [Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.] *Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:*

- (1) *28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and*
- (2) *two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.*

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

[(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.]]

SEC. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, from time to time [during the calendar year,] determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any [domestic] area[, the Republic of the Philippines, or Cuba,] will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect[: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value]. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area [for the calendar year then current], he shall revise the quotas for Cuba and foreign countries

other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

To Cuba	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.】

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

(b) 【If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.】 *Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.*

(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section [204].

【(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.】

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.
 (2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

SEC. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

SEC. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas

(h) *The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72 percent total sugar content
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
British West Indies.....	300, 000
Other foreign countries.....	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.*

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially

recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment* in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundredweight of such portion
350 to 700.....	\$0. 05
700 to 1,000.....	. 10
1,000 to 1,500.....	. 20
1,500 to 3,000.....	. 25
3,000 to 6,000.....	. 275
6,000 to 12,000.....	. 30
12,000 to 30,000.....	. 325
More than 30,000.....	. 50

(d) Application for payment shall be made by, and payments shall be made to the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate

in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purpose of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1952] 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1952] 1956 and previous crop years.

AMENDMENT TO INTERNAL REVENUE CODE

CHAPTER 32—SUGAR

SEC. 3508. TERMINATION OF TAXES

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1953] 1957. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, [1953] 1957, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, [1953] 1957, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

SUGAR BRANCH

SUGAR ACT OF 1948

as amended by

PUBLIC LAW 1140 - 82nd CONGRESS, 1st SESSION

September 1951

NOTE

The Sugar Act of 1948 as effective January 1, 1948 to December 31, 1952, is shown in roman type. Portions to be omitted from law to be effective January 1, 1953 to December 31, 1956, are enclosed in black brackets and new matter added for that period is shown in italics.

SUGAR ACT OF 1948¹

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sugar Act of 1948".

TITLE I—DEFINITIONS

SEC. 101. For the purposes of this Act, except title V—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure, but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota," depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or

¹Section 7 of the bill provides that the amendments therein shall become effective January 1, 1953, except that sections 1 through 4 shall be effective for purposes of the determinations and regulations required for the calendar year 1953.

liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II—QUOTA PROVISIONS

SEC. 201. The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during the calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas, by apportioning among such areas [4,268,000] *four million four hundred and forty-four thousand short tons, raw value, as follows:*

Area	Short tons, raw value
Domestic beet sugar.....	1, 800, 000
Mainland cane sugar.....	500, 000
Hawaii.....	1, 052, 000
Puerto Rico.....	[910, 000] 1, 080, 000
Virgin Islands.....	[6, 000] 12, 000

(b) For the Republic of the Philippines, in the amount of nine hundred and fifty-two thousand short tons of sugar as specified in section 211 of the Philippine Trade Act of 1946.

(c) For foreign countries other than the Republic of the Philippines, by prorating among such [areas] *countries* an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section, on the following basis:

[Area] Country	Per centum
Cuba.....	[98.64] 96
Foreign countries other than Cuba and the Republic of the Philippines.....	[1.36] 4

[The quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, Number 1, issued December 12, 1936, pursuant to the Agricultural Adjustment

Act, as amended.】 *Ninety-five per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines shall be prorated among such countries on the basis of the average amount imported from each such country within the quotas established for the years 1948, 1949, and 1950, except that a separate proration need not be established for any country which entered less than two per centum of the average importations within the quotas for such years. The amount of the quota not so prorated may be filled by countries not receiving separate prorations, but no such country shall enter an amount pursuant to this subsection in excess of one per centum of the quota for foreign countries other than Cuba and the Republic of the Philippines.*

(d) 【Notwithstanding the other provisions of this title II, in the event the quota established for Cuba, including any and all deficits allotted or prorated to Cuba pursuant to the provisions of section 204 (a), shall be a smaller proportion of the total amount of sugar which the Secretary determines is needed to meet the requirements of consumers in the continental United States pursuant to section 201 of this Act, than the quota which would have been established for Cuba upon such consumptive estimate under the provisions of section 202 (b) of the Sugar Act of 1937, the quotas for domestic sugar-producing areas established pursuant to the other provisions of this title II shall be reduced pro rata by such amounts as are required to establish such quota for Cuba and the amounts by which such domestic sugar-producing quotas are so reduced shall be added to the quota for Cuba.】 *Notwithstanding the other provisions of this title II, the minimum quota established for Cuba, including increases resulting from deficits determined pursuant to section 204 (a), shall not be less than the following:*

(1) *28.6 per centum of the amount of sugar determined under section 201 when such amount is seven million four hundred thousand short tons or less; and*

(2) *two million one hundred and sixteen thousand short tons, when the amount of sugar determined under section 201 is more than seven million four hundred thousand short tons.*

The quotas for domestic sugar-producing areas, established pursuant to the other provisions of this title II, shall be reduced pro rata by such amounts as may be required to establish such minimum quota for Cuba.

【(e) If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this Act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That any portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign countries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.】

Sec. 203. In accordance with such provisions of section 201 as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

Sec. 204. (a) The Secretary shall, from time to time 【during the calendar year,】 determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any 【domestic】 area【, the Republic of the Philippines, or Cuba,】 will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area 【for the calendar year then current】, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas on the basis of the quotas then in effect【: *Provided, however*, That domestic areas shall not share in any deficit of any domestic area if the then outstanding determination of the Secretary made pursuant to section 201 of the Act is less than seven million short tons, raw value】. If the Secretary finds that the Republic of the Philippines will be unable to market the quota for such area 【for the calendar year then current】, he shall revise the quotas for Cuba and foreign countries

other than Cuba and the Republic of the Philippines by prorating an amount of sugar equal to the deficit so determined, as follows:

[To Cuba.....	95 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	5 per centum

Provided, however, That whenever the quota for Cuba established under the provisions of this Act other than section 202 (d) is less than the amount required by the provisions of section 202 (d) of this Act, such prorations shall be as follows:

To Cuba.....	98.64 per centum
To foreign countries other than Cuba and the Republic of the Philippines.....	1.36 per centum

Any portion of such Philippine deficit which the Secretary determines cannot be supplied by Cuba shall be prorated to foreign countries other than Cuba and the Republic of the Philippines. No part of any Philippine deficit so prorated may be filled by direct-consumption sugar.】

To Cuba, 96 per centum; and

To foreign countries other than Cuba and the Republic of the Philippines, 4 per centum.

If the Secretary finds that foreign countries other than Cuba and the Republic of the Philippines cannot fill the quota for such area, he shall increase the quota for Cuba by an amount equal to the deficit.

Whenever the Secretary finds that any area will be unable to fill its proration of any such deficit, he may apportion such unfilled amount on such basis and to such areas as he determines is required to fill such deficit.

(b) [If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under the provisions of section 202 (c) has not been filled, the Secretary may revise the proration of such quota among such foreign countries by allotting an amount of sugar equal to such unfilled proration to such foreign countries as have filled their prorations of such quota by such date.】 *Whenever the Secretary finds that any country will be unable to fill the proration to such country of the quota for foreign countries other than Cuba and the Republic of the Philippines established under section 202 (c), or that any part of such proration has not been filled on September 1 of the calendar year, he may apportion such unfilled amount on such basis and to such countries as he determines is required to fill such proration.*

(c) The quota or applicable proration for any domestic area, the Republic of the Philippines, Cuba, or other foreign countries as established under the provisions of section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under the provisions of subsections (a) and (b) of this section [204].

[(d) Any proration among foreign countries other than Cuba and the Republic of the Philippines pursuant to this section shall be on such basis as the Secretary shall determine.】

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this Act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved, a like copy of his decision thereon, a full statement in writing of the facts and grounds for his decisions as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 240 of the Judicial Code, as amended (U. S. C., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

Sec. 206. Subject to the provisions of sections 207 and 408 relating to the suspension of quotas, sugar quotas shall be established pursuant to this Act for the calendar year 1948 within ten days after effective date of this Act.

Sec. 207. (a) Not more than twenty-nine thousand six hundred and sixteen short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than one hundred and twenty-six thousand and thirty-three short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as specified in section 211 of the Philippine Trade Act of 1946.

(e) Not more than three hundred and seventy-five thousand short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas

(h) *The quota for foreign countries other than Cuba and the Republic of the Philippines may be filled by direct-consumption sugar only to the extent of 1.36 per centum of the amount of sugar determined pursuant to section 201 less the sum of the quotas established in subsections (a) and (b) of section 202: Provided, That each such country shall be permitted to enter an amount of direct-consumption sugar not less than the average amount entered by it during the years 1948, 1949, and 1950.*

SEC. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 72 percent total sugar content
Cuba.....	7, 970, 558
Dominican Republic.....	830, 894
British West Indies.....	300, 000
Other foreign countries.....	0

SEC. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, or foreign countries, (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration of any quota, made to them pursuant to the provisions of this Act.

SEC. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which draw-back of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however,* That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the Act of Congress, approved March 3, 1917 (39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

SEC. 212. The provisions of this title shall not apply to (1) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year; (2) the first ten short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba and the Republic of the Philippines, in individual sealed containers of such capacity as the Secretary may determine, not in excess of one and one-tenth gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SEC. 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of fourteen years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed; and that no child between the ages of fourteen and sixteen years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than eight hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 per centum of the crop at the time such work was performed. The Secretary is authorized to make payments, notwithstanding a failure to comply with the conditions provided in this subsection, but the payments made with respect to any crop shall be subject to a deduction of \$10 for each child for each day, or a portion of a day, during which such child was employed or permitted to work contrary to the foregoing provisions of this subsection.

(b) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be payable except for the foregoing provisions of this subparagraph may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(2) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have been paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially

recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share tenants, adherent planters, or share croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm commencing with the crop year 1948.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this Act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value	Reduction in the base rate of payment per hundredweight of such portion
350 to 700.....	\$0. 05
700 to 1,000.....	. 10
1,000 to 1,500.....	. 20
1,500 to 3,000.....	. 25
3,000 to 6,000.....	. 275
6,000 to 12,000.....	. 30
12,000 to 30,000.....	. 325
More than 30,000.....	. 50

(d) Application for payment shall be made by, and payments shall be made to the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate

in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, Puerto Rico, and the Virgin Islands.

TITLE IV—GENERAL PROVISIONS

SEC. 401. For the purpose of this Act, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this Act, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this Act the funds necessary to make the payments provided for in title III of this Act and such other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of the Act.

(b) All funds available for carrying out this Act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

(c) The funds made available for the purpose of enabling the Secretary to carry into effect the provisions of the Sugar Act of 1937, as amended, during the fiscal year 1948 are also hereby made available to the Secretary for purposes of administration of the provisions of this Act during the fiscal year 1948.

SEC. 403. (a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

(b) Each determination issued by the Secretary in connection with quotas and deficits under title II or payments under title III of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the bases and considerations upon which such determination was made.

SEC. 404. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this Act or of any order or regulation made or issued pursuant to this Act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of any of the remedies or penalties existing at law or in equity.

SEC. 405. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 406. All persons engaged in the manufacturing, marketing, or transportation or industrial use of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 407. No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than two years, or both.

SEC. 408. Whenever pursuant to the provisions of this Act the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation, except as provided in section 207 of this Act, of all the provisions of title II above, and, thereafter, the operation of such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 409. Whenever the Secretary determines that such action is necessary to effectuate the purposes of this Act, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor, producer, or laborer.

SEC. 410. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

SEC. 411. The powers vested in the Secretary under this Act shall terminate on December 31, [1952] 1956, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1952] 1956 and previous crop years.

AMENDMENT TO INTERNAL REVENUE CODE

CHAPTER 32—SUGAR

SEC. 3508. TERMINATION OF TAXES

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar or articles composed in chief value of sugar after June 30, [1953] 1957. Notwithstanding the provisions of section 3490 or 3500, no tax shall be imposed under this chapter with respect to unsold sugar held by a manufacturer on June 30, [1953] 1957, or with respect to sugar or articles composed in chief value of sugar held in customs custody or control on such date.

With respect to any sugar or articles composed in chief value of sugar upon which tax imposed under section 3500 has been paid and which, on June 30, [1953] 1957, are held by the importer and intended for sale or other disposition, there shall be refunded (without interest) to such importer subject to such regulations as may be prescribed by the Commissioner of Customs with the approval of the Secretary an amount equal to the tax paid with respect to such sugar or articles composed in chief value of sugar.

